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* The hon. the PRESIDENT :—"The Standing Order says 'The President shall intimate that the motion shall be taken at 2-30 p.m. the same day or at 2-30 p.m. the next day at the discretion of the President.' 'Next day' means next sitting of the Council."

* The hon. Diwan Bahadur M. KRISHNAN NAYAR :—"I submit that, owing to this contingency arising, namely, the next day happening to be a Sunday, which has not been contemplated in the Standing Order, the motion must be taken up to-day."

* The hon. the PRESIDENT :—"The question is one of interpretation. The Standing Order clearly says 'the next day.' 'Next day' must be presumed to mean the next day when the Council meets. I fix the time for the discussion of the motion at 2-30 p.m. on Monday the 25th March 1929."

III

MOTIONS ON THE BUDGET FOR 1929-30.

DEMAND XXIV—CIVIL VETERINARY SERVICES—*cont.*

The hon. the PRESIDENT :—"The Council will now resume debate on the Civil Veterinary Demand. Mr. A. B. Shetty will continue his speech on his motion."

* Mr. A. B. SHETTY :—"The diseases of livestock and their control is the main subject which has received the consideration of the Agricultural Commission. The annual losses from disease affect the poor ryots to a very great extent. Deaths far exceed the number of cases that are reported. A large number of the animals that survive become enfeebled and the work of cultivation suffers. An idea of the losses due to cattle disease may be got from the amount borrowed by cultivators from co-operative societies for purchase of cattle. Further, Sir, the prevalence of epidemic diseases in this country prevents private enterprise in improving the breeding of cattle. As the Agricultural Commission's report rightly says the most outstanding problem which faces the Veterinary department is the control of contagious diseases. Take for instance rinderpest which is the most formidable disease in this country and which claims the largest number of victims. The experience of western countries has shown that this disease can be successfully stamped out or at least got under effective control. If Government take steps to root out this disease from this country, they will be conferring a signal benefit upon the ryot population. The Commission has discussed the measures necessary for combating this disease effectively and they have arrived at the conclusion that the serum-simultaneous method of inoculation offers the most hopeful means of combating the disease and this has been confirmed by the experience of Mysore in our country. It is satisfactory to note that the department is now concentrating more upon inoculation of this sort, but a larger staff and more funds are necessary to carry out this inoculation and cope successfully with rinderpest. The report says that the strength of the cadre of Veterinary Assistant Surgeons was raised to 249 but that owing to paucity of qualified hands there were thirteen vacancies at the end of the year. On the other hand, I am told that some of those who pass out of the Veterinary College go to other places like Mysore and Nagpur seeking appointments because they have to wait long to get appointments here. Why can't these men be immediately appointed as a temporary corps for anti-rinderpest inoculation work and sent

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out wherever they are required? This will help the campaign against rinderpest to a great extent. The Commission has suggested that a Veterinary Reserve Corps of selected veterinary assistants might be formed, so that these men might be called up for duty in any part of the province where the epidemic breaks out. Now, if such a corps is to do this work effectively we must have a sufficient number of men in it. Unless and until the disease is brought under control we cannot expect a reserve corps consisting only of a few men to deal with this disease.

11-45
A.M.

"Secondly, we require an institute for producing virus and serum. . ."

* The hon. the PRESIDENT : "Is it one of the recommendations of the Agricultural Commission?"

* Mr. A. B. SHETTY :—"Yes, Sir. Rinderpest virus is now produced at the Veterinary College but it is not sufficient to meet the demands coming from the mufassal. At Ootacamund and at the Hosur cattle farm, a number of inoculated cattle died of rinderpest after six months. These deaths were thought to be due to the virus not being effective; it is said that the virus retains potency only for a week. They were getting virus from Muktheswar and often it lost its potency during transit. Virus is now being produced in the Veterinary College but I am told that only two assistants are engaged on this work and they have to do this work in addition to their other work; so, they are not able to produce the quantity required. Sometimes reports come from the mufassal about cattle dying within a week or ten days after this serum-simultaneous method of inoculation is done. Such deaths are supposed to be due to the serum not being effective enough. I understand that the first bleeding and the second bleeding serum produced at Muktheswar is kept for their own purposes of inoculating the hill cattle there. Only third bleeding serum which is inferior in quality is sent here. So, it is necessary that we must have our own institute for producing virus and serum and we must have sufficient quantity of it for the purposes required in this province.

"Thirdly, we must enforce compulsory inoculation in affected areas. The Agricultural Commission in their report say that it is not quite advisable to have recourse to compulsory inoculation so far as cattle of the ordinary ryots are concerned. They recommend that compulsory inoculation may be resorted to in a city like Madras to protect the cattle of the milk-sellers. I believe compulsory inoculation was done with good results in Bellary and Nellore at the time this disease broke out there. Unless the Government have the power to control the spread of infection by veterinary police measures, no staff however large and well trained can effectively bring the epidemic under control. The Government must be able to regulate the movement of cattle, enforce isolation and inoculation. They have no doubt the Cattle Diseases Act passed so long ago as 1866 in this province. This Act provides extensive powers but difficulties have been found in making effective application of them. The Agricultural Commission recommends that a Contagious Diseases of Animals Act should be passed for the whole of India and it is necessary that Native States also should have recourse to a similar legislation so that they may assist and co-operate with the people in British India in this matter. This Government ought, therefore, to press upon the attention of the Government of India the necessity for an all-India legislation of this character so that we can have uniform procedure all over the country.

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"The Agricultural Commission report makes mention of the complaint commonly made and legitimately also that the veterinary dispensaries we have at present are mostly located either at district headquarters or in towns. They do not bring veterinary aid within the reach of the rural people. The Commission, therefore, suggests that two or more veterinary assistants should be attached to each dispensary so that while one remains at the headquarters, the other may go to the villages round about. We have this system in Madras. Our dispensaries are 102 in number but the touring posts provided are only 88 and some of these posts have been vacant owing to lack of qualified hands. The difficulty here again is want of men. As I said, Sir, if the Government want to attract more men to the department they must give them better pay and see that their prospects also are improved. They have increased the number of circle officers from 7 to 12. The Commission says that we must have a veterinary surgeon for every district so that he may attend to the work of controlling the epidemic diseases, and supervise the work of the dispensaries and the touring assistants. The staff working at present being only small in number and the number of dispensaries also being few, 'it may not be necessary just at present to have district veterinary surgeons but in course of time it will become necessary to have in every district veterinary surgeons of this sort for doing the work proposed by the Commission. I hope and trust that all these matters will receive the immediate consideration of the Minister for Development.'"

* Mr. T. M. NARAYANASWAMI PILLAI:—"Mr. President, Sir, I beg to second the motion moved by my hon. Friend, Mr. Shetty. He has insisted on the necessity of expanding the activities of the department and making the department more effective in accordance with the recommendations of the Royal Commission. We realize and recognize the steps which the Government are taking in this matter. At the same time we request the Government to expand the activities of the department and to make it more effective. In this connexion I wish to repeat that the hon. Minister should see that the pay and prospects of the services in the department are bettered and improved. It is only then that there will be the necessary stimulus for expansion. With these few words I second the motion."

Dr. B. S. MALLAYA:—"Mr. President, Sir, I beg to support the cut motion. I should like to draw the attention of the hon. Minister for Development to the useless system that is followed in putting down one of the most virulent disease that has been raging in this Presidency for the last three years, viz., rinderpest. It is a well-known fact that the main stay of the ryot is his cattle. If the Government are really interested in seeing that cattle do not die in large numbers on account of this virulent type of epidemic, they should adopt a systematic method that is adopted in all civilized countries of the world. If the Government do not adopt that method, it is high time that we say some harsh words about this department. From the statistics of the last 30 years I found that rinderpest used to visit this Presidency once in five years. The mortality was not on the whole more than 15,000 or 16,000. I find that the disease has become endemic in this Presidency for the last three years. In the year 1926 there were 45,000 deaths; in 1927, 60,000 and in the year 1928 there were 76,000 deaths. I hear that in the whole of the Tanjore district which is called the garden district of our Presidency, this epidemic has been raging for the first three months of this year. I had several letters and there were also communications

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in the press about the virulence of this disease in Tanjore, a district which pays one-third of the land revenue of the whole Presidency. If the Government are not going to take any steps to combat this disease, I think there is no justification for this Government being called civilized. They have already spent a sum of Rs. 8 or 10 lakhs for buying serum from Mukteswar. The serum that is obtained from that place is sterile or dead. The Government are still persisting in their method in spite of the recommendations made by the Agricultural Commission that the method of inoculation by the serum alone method is not effective. The sum of Rs. 7 or 8 lakhs that has been spent on this method is a sheer waste of the money of the poor ryots and agriculturists. There have been a large number of deaths; the disease is spreading to all parts of the Presidency; no steps have been taken to control it. Putting the value of each head of cattle at Rs. 100 the agriculturists have lost nearly 3 crores of rupees. The hon. Minister for Development proposes to spend only a sum of Rs. 10 lakhs on this department. Will that amount be sufficient to prevent the mortality among the cattle of the poor ryots? Is the hon. Minister not going to adopt some systematic method and put down this virulent epidemic disease and prevent the disease being spread to other districts? Mysore has done so; Egypt has done so by mass protection. Those two countries provided for what is called protected zone, so that the disease could not spread from one district to another district. What the department is doing at present is to inoculate cattle which are suffering from the disease in one district and then go to another district and inoculate the cattle there. What I want them to do is to concentrate their attention to one district where the epidemic is at its highest. They should send to Tanjore now a body of qualified veterinary men who know to apply the serum simultaneous method and see that the cattle in the district are inoculated and protected. That district then will be safe for 10 or 15 years. They should do the same in other districts also. The department is doing their work here and there where the epidemic breaks out. They do not adopt any systematic or intensive method.

"Then, Sir, one of the recommendations made by the Commission is that there should be a reserve of veterinary officers who, like the cholera parties which the hon. Minister for Public Health is maintaining, should be kept at the headquarters; they should be sent to any locality where the epidemic breaks out and have the inoculation work done. I am told that officers are not available to attend to this work. What is the use of maintaining this department which is not able to give substantial aid to the agriculturists and their cattle? If the cattle are not protected from this epidemic, the ryot is reduced to a miserable condition.

"Again, Sir, from the statistics attached to the report I find that the number of breeding bulls or stud bulls that are maintained in this Presidency is 60,000 for 55,00,000 cows. There is only one bull for every 50 or 60 cows. The rate of mortality has been high for the last four or five years. There is urgent necessity for increasing the number of stud or breeding bulls all over the Presidency. The Government must see that they maintain in every village a number of Government bulls that may be used without paying any fee.

"There is also the question of immunizing cows when they are one year old. The system which I have been advocating is what is followed in Holland and South Africa where they have kept this disease of rinderpest under check.

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What should be done is to protect the cows. The protection of the cows in this manner is just like vaccinating babies which are six months old. The cows should be inoculated with the serum simultaneous method and it is very cheap to do so. Nobody will object to this system and the immunity given to cows will be lifelasting. Once that system is introduced in this Presidency we will get rid of rinderpest. The Government must take steps to see that the calves that are born in the districts are protected by this method. Any money that is spent upon this method will not be looked upon as waste or extravagant. We will get return for the money that is spent. I hope the hon. Minister will attend to this matter as early as possible."

* Mr. F. E. JAMES :—“ Mr. President, Sir, I should like to offer a few general observations. It is my opinion and I think it is shared by all my colleagues in this side of the House that the veterinary department is one of the most vital departments. In other provinces and also to some extent here also, this department is looked upon both by the various Government departments and also by the Members of the House generally, as Cinderella of the administration. I wish to impress on the hon. Minister the importance of coming to an early conclusion on the recommendations of the Agricultural Commission, in regard to the veterinary services. These recommendations are very numerous and of extreme importance and we hope to hear from the Minister that a very definite policy with regard to large extensions of the services of this department has been adopted by him or by his successor. After all the question of the protection of cattle is perhaps one of the most fundamental questions with regard to agriculture. Cattle very often constitute the only hope of the agriculturist. If there is no cattle, there will be no food. I have seen how in Bengal in famine areas people enormously depend on cattle. At times they are their only asset. Therefore this is one of the departments which ought to be improved more than any other department and this House should be willing to be generous as far as possible in supplying funds. I am not aware of the details of the department, except from what I have gathered from official reports. One of the main recommendations of the Agricultural Commission is that there should be one Veterinary Surgeon for each district and one assistant surgeon for every 25,000 head of cattle. I realise there are difficulties in this question of veterinary services. There is the great difficulty of apathy, lack of attention and very often lack of desire of any kind to obtain or receive help on the part of the ryot concerned. Then, there is singular apathy on the part of many of the leaders of public opinion, both in the districts and throughout the province. There is the great difficulty of religious prejudice and religious customs in regard to the care of animals. I would draw the attention of the House to the recent report of the All-India Cow Conference of which I was once a member in which an officer (a Hindu) of the Veterinary Services made the following observations: ‘I am unable to explain what is in the minds of the people who resist the slaughter of cattle for purposes of food and yet do not lift a little finger against the indiscriminate slaughter that is brought about by preventible epidemics on a much larger scale.’ Only last evening I was reading with great interest an account of measures that have been undertaken in the Irish Free State in regard to this branch of agriculture. I venture to commend those methods, or at any rate, I venture to recommend a reading of that account to the hon. the Minister and to the officers of the Veterinary department. I am not sure that I can commend

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precisely these methods for adoption, because I doubt whether it would be practicable in this country where there are so many hindrances in the way of direct action. But, what I submit is that this is a fundamental and important problem and therefore I would impress not only on the Government but also on every member of this Council the need for the extension of these services throughout our Presidency. The need is also to bring the services of the department into closer touch with the ryot himself, so that that all the experience in research and experiment which the department has gained would be made available to the ryots. I repeat this department should be one of the most vital departments of Government and I hope that next year we shall find the hon. Minister (or his successor whoever he may be) coming to this House with a far larger allotment of Government funds with regard to development than is included in the budget to-day."

* Mr. J. A. SALDANHA :—“ Sir, I am glad that Mr. James has spoken so much on the neglect of this department to meet the requirements of the Presidency because we on this side and several others on the other side also have been crying in vain against the step-motherly and niggardly treatment that the Government gives to this department. This department is in fact the most neglected of the departments, especially of the new departments. As regards the defects in the administration of this department, it has been adverted to by several members on both sides of the House, year after year and also very recently and I shall not repeat those points again. All these cries go to show with what indifference Minister after Minister has been treating this department. For instance, in regard to the question of serum simultaneous method, particular attention was drawn to the importance of this method some years ago, I think in 1926, but absolutely no steps have been taken by Government. I recently brought a motion not to pass the Government demand for three lakhs and even then the hon. the Minister did not assure us that serum-simultaneous would be obtained. Then the hon. Mr. Moir came to his rescue and assured us that most of the money would be spent on serum-simultaneous method and that effective steps would be taken. I am glad to find that some steps are being taken in this respect, but it is done in a half-hearted fashion. I do not know if the hon. Minister has fully realized the extent of the disease prevalent now and the number of cattle that are dying and the necessity for taking much more efficient steps with a large and better paid staff. That is the point on which I would like to draw the attention of the hon. Minister and more especially in regard to the subordinate services. The Government have been saying that there is no attraction to graduates for service in the department. As a matter of fact in every department there is a plethora of graduates coming forward and offering their services. Government say in their report for 1927-28 “ It is found that the number of available veterinary graduates is hardly adequate for the requirements of the Presidency. There has however been a slight increase in the number of students in the Veterinary College and since the number of stipends has been increased from 20 to 40, it is hoped that a greater number of veterinary graduates will be available hereafter.

“ I do not think that stipends will attract the students more unless their prospects in the service are assured. That is the most important thing. I drew the attention of the hon. Minister last year to this fact, but the answer generally came that in other Presidencies they are similarly paid.

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I think that unless the Minister makes up his mind to improve the salaries of the subordinate staff, he cannot get better men and he cannot attract more men to the college. First of all, let me compare the pay of men in the Co-operative and Veterinary departments. Veterinary assistants are paid Rs. 60 to Rs. 120 and then Rs. 125 to Rs. 175. I draw attention to page 447 of the Budget Estimates. Now, similar appointments in the Co-operative department, where the Inspectors who are not even graduates, are paid Rs. 80 to Rs. 100 and Assistant Registrars begin on Rs. 150 and more. In the Agricultural department, the demonstrators are given higher pay. In the Public Health Department, health inspectors and vaccine assistants are paid Rs. 125 and more and in the Fisheries department, assistants are paid somewhat more. Let us now see how the officers in the other departments stand. There, in the Police department there are the inspectors, sub-inspectors and they are all started on Rs. 150. Then take the Educational department."

The hon. Mr. S. MUTHIAH MUDALIYAR :—"Why not take the District Munsifs." (Laughter.)

12-15
p.m.

* Mr. J. A. SALDANHA :—"No, Sir, they are all either graduates or double graduates and hence they are entitled to their salary; and the officers of the Veterinary department should not be compared with them."

"Then, Sir, besides the poor salary of these veterinary officers let us see how they are housed. There too I am sorry to say I have to tell a tale of ill-equipment. Very often their houses are of the East Coast standard that cannot withstand the torrential rains and the scorching heat of the West coast. Let the hon. the Minister for Development pay a visit to the West coast and he will certainly be impressed with what I say. Sir, the Veterinary Assistant Surgeon has to reside in the headquarters and there he will have to come in touch with other district officers, and do Government for a moment believe that these officers will be able on their present salary to maintain and keep that standard of living which they are expected to do? Then besides their low salary and lack of proper accommodation have these men been provided with the necessary number of peons without whom it will be impossible for them to attend to their numerous duties. Then, Sir, in view of the fact that the itinerant assistant surgeons cannot give adequate relief to the people by virtue of their work being to go from one locality to another; how can they stay in one place and look after the need of another place? For example there is the epidemic of rinderpest raging in all parts of the country simultaneously, and it is clear that they cannot cope with cases in all the places. Hence I urge that the number of hospitals should be increased in large numbers. Sir, in the Budget Estimates we see that the number of veterinary hospitals is 107 and not even one new hospital has been started this year. Then, Sir, coming to the number of touring officers we see that the number has been increased from 108 to 117, but I fear that is a very poor increase and I do not think it will be able to meet the requirements. A larger number of them ought to be entertained so that we may have a staff that will be able to start to any place at a moment's notice. For epidemic diseases break out almost without a warning in almost every part of the Presidency. In South Kanara they were largely prevalent during last year. I know as a matter of fact in and around Mangalore they broke out recently, and people came to me running seeking help. I sent for the Veterinary Assistant Surgeon (a new officer) and he had to confess that

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he had not any quantity of serum simultaneous. I think this is a matter on which Government will do well to be alert as much as the Veterinary Director and his staff whose inaction as to the needed reforms, appears strange notwithstanding grand tours."

Mr. K. R. KARANT :—"Then only can they draw travelling allowance."

* Mr. J. A. SALDANHA :—"What is wanted is that serum simultaneous should be brought to the very door of the people and they should be instructed as to how they should look after their cattle in order that they may remain healthy. Sir, this motion has received the unanimous approval of the House. Mr. Shetty spoke in favour of this from that side of the House and almost all Members from this side spoke supporting this motion."

Mr. SAMI VENKATACHALAM CHETTI :—"On a point of order, Sir, having regard to the state of the health of my hon. Friend Mr. Saldanha, is it not desirable that he should not strain himself too much?" (Laughter.)

* Mr. J. A. SALDANHA :—"Sir, this is a matter involving much money and so I think it requires great scrutiny. I moved the hon. the Minister to go to Mangalore and take steps to gain first-hand knowledge of the conditions by surprise visits. My friends living in the City will not be able to appreciate what I said. As this matter concerns the villages and as they live almost wholly in towns, they are somewhat ignorant of the needs of the villages. There is thus no powerful public opinion in regard to the steps taken for combating cattle epidemics.

"Sir, I am further sorry to notice that when an important matter like this is being discussed, the hon. the Finance Member and the hon. the Revenue Member should absent themselves from the House."

Dr. B. S. MALLAYYA :—"Sir, Mr. Saldanha had an attack of influenza only two days back and therefore I do not think he will be able to stand the strain of a long speech." (Laughter.)

* The hon. the PRESIDENT :—"I shall certainly take the advice of the Doctor."

* Mr. J. A. SALDANHA :—"I close, Sir, my speech. I do not see why the hon. Members should absent themselves when their duty demands their presence here. I want my friends to note this and I think it is an insult to this House."

* Mr. T. ADINARAYANA CHETTIYAR :—"Sir, in supporting this motion I am glad to note the practically unanimous support it is receiving from all sides of this House. Any one who lives in this country, or rather in this province where agriculture plays so important a part, and where the majority of the people are Hindus, will certainly note that the condition of cattle should receive the special attention of Government. No doubt Government are alive to the need, and they agree with us that the problem requires special treatment, but unfortunately their interest as usual takes the form of proposals for increased expenditure. The development of expenditure is in the nature of arithmetical progression though not in the nature of geometrical progression. The only provision that has been made towards this end—I am sorry I have to characterise as unfortunate or rather pernicious this tendency to develop the expenditure—is towards increasing the

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number of circles and of gazetted officers. For, in the budget estimate you find that while five more gazetted officers have been provided for, there is no provision made for increasing the number of the under dogs. It must be remembered that it is really the under dog that does most of the work, not the gazetted officers. As the previous speaker pointed out, what are these supervising officers for, when they have not got enough subordinates under them? Whom are they to supervise? If there are 100 subordinates, five gazetted officers are enough to see whether they do their work properly; simple logic would not support the increased provision of two lakhs of rupees for the salary of five circle officers when the number of the sub-assistant surgeons is not increased. As regards the number of dispensaries, the increase proposed is negligible. And even the existing sub-assistant surgeons are not well paid. They are started on Rs. 65, their pay rising to a maximum of Rs. 125—not a magnificent salary in these days of increased cost of living. I may point out in this connexion—of course speaking subject to correction, that they are not even provided with peons and yet they have to go about from one place to another and discharge their task, which in times of epidemics is heavy. Besides these, there is the ill-treatment these officers have to put up with. Hence small wonder that these qualified assistant surgeons fly to other provinces like Mysore, Hyderabad, etc., for employment.

“Then, Sir, it is a well-known fact that the serum-simultaneous method and mass inoculation are the only effective remedies against epidemics. Without a large number of assistant surgeons how is the Development Department going to tackle this problem. Recently in the North Arcot district, in Cheyyar and Wandiwash taluks there was a regular epidemic of cattle disease and literally cattle died in thousands. I am told other districts also have to tell the same sad tale. And I submit that Government cannot tackle the problem without increasing the lower grade staff. With the pay of one circle officer five or six assistant surgeons can be maintained with undoubted advantage to the ryots.

“There ought to be an increase in the number of veterinary assistants at the earliest possible opportunity. I shall not take more of the time of the House, Sir, but I would simply repeat the need for the increase of the establishments in the lower grade, and also their adequate and better treatment by their superiors.”

* Mr. S. ARPUDASWAMI UDAYAR:—“Mr. President, Sir, I oppose this ¹²⁻³⁰ motion. (Voices: ‘Oh, oh!’) The burden of the speech of the hon. the ^{p.m.} Mover is that the recommendations of the Agricultural Commission should be given effect to and my hon. Friend the seconder expressed the desirability of a wider expansion of the activities of this department. From the budget estimates I find that there is expansion. Not less than two lakhs of increased provision I find in the budget. The circles have been increased from 8 to 14, and the staff also has been increased by 25 per cent. My Friends cannot expect several lakhs straight away to be budgeted for. Sir, I for one would be sceptical of the judgment not to speak of the capacity or a Minister or Finance Member who provides for several lakhs in a budget without considering the question deeply or without appointing a committee, waiting for the recommendations of that committee, receiving certain proposals from the heads of departments with regard to a gradual programme of expansion

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extending over five years or ten years. I think the committee he spoke of which is sitting to consider the recommendations of the Royal Commission on Agriculture, will also take into consideration all these matters relating to the Veterinary department. As my Friend Mr. James remarked, there would be a much larger provision in the next year's budget, may be by the present Minister or by his successor. That is what I am contending for, namely, that the right motto in all schemes of expansion is *festina lente*. By the time we or our successors meet here for the next budget, surely, I think, the recommendations of this committee will have been available and some programme of expansion will have been chalked out and a much larger provision made for this department which, as Mr. James said, is certainly of the greatest importance to the welfare of the agriculturists. As regards this point and as regards the expression of scientific opinion by my Friend Dr. Mallayya, there can be no two opinions. We must make every endeavour to see that this terrible mortality of cattle is put a stop to by adopting the scientific experiments the inoculation of serum simultaneous so ably advocated both by Dr. Mallayya and Mr. Saldanha. But these things have nothing to do with the merits of this motion. Therefore I am constrained to oppose this motion."

* Mr. A. KALESWARA RAO :—" Mr. President, Sir, I am only surprised at the scepticism of my hon. Friend Mr. Arpudaswami Udayar with regard to the inadequacy of the expenditure in this department. We collect, Sir, 7 crores and 50 lakhs from the villagers and all the land revenue including the water-rate comes from the villagers, and the budget year after year provides very little for the improvement, benefit or the prosperity of the villagers. Much is taken from the bottom, and is spent at the headquarters, whether it is the metropolis or the other cities and municipalities. This budget provision of this department is also an example of that. We see that only about 11 lakhs have been provided for in this budget for this most important item of the villagers' necessity. The villager lives by agriculture, and agriculture is the most important industry, the most important occupation of the people of this country. That is what everybody knows and cattle are next to their life. That is why in India we worship the cow and the bull. That is how a religious sentiment is attached to them, so that, the cattle which are the most important thing for the development of agriculture may be preserved in all religious sanctity. Of course, we find so many cattle are butchered, but that is a different matter. And even in regard to the protection of cattle we see that the Government is neglecting. We find from the Administration Report of 1927-28 that as many as 80,000 cattle died owing to rinderpest, foot and mouth disease and other diseases. Many more deaths should have escaped the notice of these statisticians, and so the ryots must have sustained loss of more than one crore even according to the admitted figures. What adequate steps have been taken by the Government? What anxiety has been shown by the Government? The Northern Circars, in Ganjam, Nellore and other districts have been the worst sufferers and Kistna also has been usually suffering though in one or two years it escaped as much toll as the other districts suffered from. "So, Sir, I must first submit that the Development Department is not developing as it ought to but it is on the other hand a stagnant department. And, Sir, with regard to the little increase in the expenditure, of less than a lakh, that is, from 10 lakhs to about 11 lakhs. . . ."

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* The hon. the PRESIDENT :—“ I am afraid the hon. Member is deviating from the real scope of the debate. It is only the motion of Mr. Shetty that is for the discussion of the House, and the hon. Member is requested to come to the relevant portion.”

Mr. A. KALESWARA RAO :—“ The lower establishments, the touring assistants of the Veterinary Department and the veterinary assistants in charge of the hospitals and dispensaries have not been increased in larger numbers. I want to say that the real beginning of the improvement ought to be made there, but not in having more supervisors, circle officers and so on. More of inspection than actual work is the bane of our expenditure. We should have more of the real work at the bottom. One thing that is said is that the people have prejudices on account of their religious customs and superstitious beliefs and that they won't seek the help of the department. On the other hand people would be ready to take advantage of this department and take their cattle for treatment there provided they know that the department is being usefully worked. What is wanted is that this Veterinary Department and the Agricultural Department should impress themselves by their usefulness on the people, by these lower officials mixing with the people properly, telling them what they are doing. Particularly those itinerant officers or touring officers ought to teach the people in this way. Most of the people look on these officials of the Government with suspicion. They do not think that these people are doing everything that is necessary or useful for them. They treat them rather as aliens. There is some amount of suspicion like that. So these people must take more literature, carry on more propaganda, take magic lanterns and slides with them, and do all these things. There must be this sort of education imparted to the people on these right lines, by really giving them the benefits. But if on the other hand, one man goes for the sake of travelling allowance . . . ”

* The hon. the PRESIDENT :—“ As the hon. Member does not seem to be coming to the end of his speech, I have to remind him that the motion for the consideration of the House is regarding the recommendations of the Agricultural Commission. I do not think all these matters he is talking about are recommended by the Agricultural Commission. The hon. Member is certainly recommending a lot of useful things to the Government.”
(Laughter.)

* Mr. A. KALESWARA RAO :—“ The recommendations of the Agricultural Commission are that this department should be made more useful by expanding its activities. I am closing with only one more point, Sir. That there is only one magic lantern for one circle is really a deplorable thing. It is not following the recommendations of the Agricultural Commission at all. So, Sir, I think the whole department ought to be reorganized in a proper way, following the recommendations of the Royal Commission on Agriculture, and much more money must be spent on this important matter. The Government should go through the recommendations of the Commission carefully, appoint a committee and formulate some proposals and bring them up before this House, and take the House into their confidence and spend much more money in a much more useful way, so that the ryot and the agriculturist who are the backbone of this country should receive real benefit.”

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* The hon. Mr. M. R. SETURATNAM AYYAR :—“ Sir, at the time of the general discussion of the budget, I have already stated about the doings of the Veterinary Department. What I said then was this :—

‘ New circles have to be created with a view to combat effectively the rising tide of rinderpest menace in the districts by the serum-simultaneous process. This method was found to be very effective and the results obtained so far are encouraging. We are producing the virus required in our own laboratory and we are examining the question of manufacturing serum ourselves. Provision has also been made for opening new dispensaries and increasing the number of Touring assistants. My attention has been drawn to the low pay of Veterinary assistants. I have reason to think that there is genuine discontent on this question and I hope to take up this question in the course of the year and see if the position could be improved.’

“ Though Government have increased the number of stipends tenable at the College, the number of graduates passing from the College every year is hardly adequate for our present requirements with the result that progress in the matter of opening new dispensaries is slow on account of want of qualified candidates for the posts. All the recommendations of the Royal Commission will be examined in detail by the Provincial Committee, and the suggestions made by the hon. Members will be given due consideration. With the proposed opening of five additional circles most of the defects referred to by the hon. Members will vanish.”

The motion was by leave withdrawn.

The Demand was put and carried and the grant made.

DEMAND XXV—CO-OPERATIVE SOCIETIES.

12-45
p.m.

* The hon. Mr. M. R. SETURATNAM AYYAR :—“ On the recommendation of His Excellency the Governor I move—

*‘ that the Government be granted a sum not exceeding 10·83 lakhs under
XXV—Co-operative Societies.’*

* Mr. BASHEER AHMED SAYEED :—“ Sir, I move—

*‘ to reduce the allotment of Rs. 10,83,300 for Co-operative Credit by
Rs. 100 ’*

to discuss the necessity for opening agricultural banks in the poor districts of the Province.

“ Sir, much has been said with regard to agricultural banks at the time of the general discussion and I do not want to repeat the old arguments. My point is to know what exactly are the steps that are being taken by the hon. the Minister, with regard to the starting of more agricultural banks in the poor districts, especially in districts like South Arcot and Salem. In South Arcot there is no agricultural bank whatsoever. I understand there is one since some time in the Chingleput district. In South Arcot, very recently I heard that some efforts are being made to start one in a certain taluk. I would like to know what exactly is the stage at which the scheme of starting agricultural banks is left by the Government. The need for starting co-operative banks in each district is becoming greater and greater, especially when the condition of the agriculturist is being reduced to abject poverty on account of various causes. The cultivation is not giving them that profit it ought to, and from year to year the indebtedness of the agriculturist is also increasing by leaps and bounds. And once they get into the hands of the Marwadis the Reddi class and other money lending classes, they are never able to get out until their whole property is sold in discharge of the debts. I would therefore urge that the Minister would lose no time in

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looking into this matter and starting at least one land mortgage bank in each taluk of the poor districts, especially the district which I come from, namely, South Arcot, Salem and Coimbatore."

* Mr T. ADINARAYANA CHETTIYAR :—" Sir, in seconding this motion, I may be pardoned for referring at some length to the deplorable condition of the Indian agriculturist, namely, his chronic indebtedness. Sir, at a very modest estimate, says the great co-operator Sir Frederick Nicholson, the agricultural indebtedness of this province is somewhere near 30 crores. From this, Sir, the House can judge of the stupendous nature of the problem. But at present we are not concerned with an exhaustive study of the remedies for this almost hopeless condition in which the ryots are now steeped. No doubt there are already credit societies to the tune of nearly 15,000. But, if by this cut motion we wish to draw the attention of the Government to the absolute and urgent need for the establishment of land mortgage banks, it is because these 15,000 credit societies or 'primaries,' as they are called, are absolutely inadequate to wipe off this heavy burden—this heavy millstone tied round the necks of our ryots, because the 15,000 primary credit societies are intended to advance short-term loans from time to time, to meet the current needs of the cultivator, such as cultivation expenses, etc., from day to day. But that heavy load of prior debt can only be removed by special measures which are not however provided for in the very constitution of these primary societies. Therefore it is that land mortgage banks are absolutely necessary. It is not possible to have a network of land mortgage banks unless we have got a parent bank to gather together under its protecting wings the net work of smaller institutions something like a neutral nervous system to control the whole network of nerves. Therefore, a number of thoughtful co-operators in the province headed by the hon. Mr. Ramadas Pantulu, who is the President of the Madras Central Bank as well as of the Provincial Co-operative Union, have submitted to Government a cut and dry proposal for establishing a central land mortgage bank in Madras. Sir, I am also one of the signatories; and although our application is now several months old and the by-laws have been drafted in accordance with the requirements of the Co-operative Societies Act and by people who know from co-operation from A to Z by people whose stability financial and otherwise their very names are guarantees for, I am sorry Government is still keeping the society unregistered. There must be something very much perverse indeed if after knowing the existence of the hopeless indebtedness of the ryots, the Government will not readily give their almost mechanical sign of its approval to this longfelt need and issue its certificate of registration.

" Sir, in this year's budget we find a provision for some Rs. 40,000 for a Central Land Mortgage bank. How is the money going to be utilized? The Government will not take even this House into its confidence. The land mortgage bank problem is the most vital problem, and, unless that is solved, there is no salvation for the ryot. A central land mortgage bank, as I said, must be the very centre of the nervous system and it must send out its tentacles and feed and control its vast ramification of nerves the various smaller mortgage banks, that is, banks each covering probably an area of two or more villages. Already there are some land mortgage banks started under the older arrangements of Government where they guaranteed debentures up to 7 per cent and Government also part with their money up to Rs. 50,000 in the case of each bank. Some of these are being worked very successfully.

[Mr. T. Adinarayana Chettiyar] [23rd March 1929]

Therefore Government cannot plead that the experiment is a novel one or that it will not succeed and therefore they are hesitating. Sir, connected with this question—inseparably connected with it—is the question of the rate of interest. It is not conceivable that the heavy millstone of the debt of 30 crores can be wiped off if Government lend money at a very high rate of interest, or if the borrowers have to borrow their requirements elsewhere at the prevailing rate of interest, namely, $7\frac{1}{2}$ or 8 per cent.”

* The hon. the PRESIDENT :—“ I am afraid my hon. Friend will not be justified in referring to the rate of interest.”

* Mr. T. ADINARAYANA CHETTIYAR :—“ But Government having said on the floor of the House that they are considering the matter, I hope they will come to a decision very soon.”

* The hon. the PRESIDENT :—“ Whatever passes between the Government and the hon. Member on the question of co-operation is not relevant to the issue before the House, the establishment of agricultural banks in the poor districts.”

* Mr. T. ADINARAYANA CHETTIYAR :—The Government ought to come forward at once to cover this province with a network of primary mortgage banks with a Central Land Mortgage bank at their head. The extraordinary delay in this matter on the part of Government has already given room for suspicion that the present Registrar or other officers of the department are delaying the matter to oblige or safeguard the interests of the Imperial Bank, an European and semi-Government concern. I hope, Sir, at least to preserve the fair name of Government and of the department presided over by an Indian Minister, they will not give room for such unseemly suspicions but will come forward to register this Central Land Mortgage bank at an early date.”

* Rao Bahadur B. MUNISWAMI NAYUDU :—“ Sir, I should like to ascertain from the hon. the Minister what steps he has taken with regard to the recommendations of the Townsend Committee. With regard to the land mortgage banks, they suggest certain amendments to the Transfer of Property Act, to the Insolvency Act and to the Land Improvement Loans Act. May I know what steps the hon. the Minister is taking with a view to give effect to those recommendations, so that land mortgage banks when established might work properly ? ”

* Mr. G. HARISARVOTTAMA RAO :—“ Mr. President, Sir, there is an old saying that I just remember. I read it while I was a boy, in English history. It is that Henry VII demanded money of the poor saying ‘ Pay me because you have much which you cannot use ’, and of the rich saying ‘ Pay me, because you have ’. In a similar manner, with regard to these mortgage banks, we are being told, Sir, that because a particular locality is poor, because a particular locality is unable to find according to the Government the necessary money to carry on the work they shall not have it. The Government have taken shelter under expert opinion and they have said that whole districts are unfit for the establishment of mortgage banks. I am referring specially as an example to my own district of Kurnool. I asked a question on the floor of the House, and I was told that round about the Kurnool town land is very poor. As a matter of fact, it is not true. There is wet cultivation under the Cuddapah-Kurnool canal, and all the villages are well situated so far as cultivation is concerned. The second reason urged against the establishment of mortgage banks in places like that was that

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there were not men ready to take up the work of scrutinizing these loans in villages and things of that sort. As a matter of fact, that argument does not hold good at all for this reason. Land mortgage banks pay large amounts of money as loans just as co-operative credit societies pay small amounts as loans. Therefore what supervision is required can be done by a smaller agency. It is not a very heavy work. Therefore a few men, a few active men, would be sufficient. As a matter of fact, in the case of the Kurnool mortgage bank, one lawyer, an energetic young man of the Kurnool bar volunteered to work it, and there were other people who volunteered also, and a number of village munsifs were amongst the organizers or supporters of the concerned bank. Again, Sir, we are told that the co-operative credit societies thereabouts were not doing very well. But, so far as I am aware of, there is a good deal of misconception in the matter, because, after all there are good, bad and indifferent societies everywhere. In a like manner, all round Kurnool, there may be some societies which are not working in a good state. But there is the Ualachala society which has got a very good certificate from the department. In an answer given to my question, they say that villages within a radius of five miles were not in a proper state of co-operative effort. But it appears that when first this question of mortgage bank was started there, people were told that villages within a radius of ten miles would have the benefit of this particular bank. Therefore, looking at it from whatever point of view, we find that the report that the Government have received cannot stand one moment's scrutiny.

"At the same time when I was asking a question about agricultural banks I also asked whether the Government had attempted to find out if in the district there were not places which were fit for starting a land mortgage bank and I was told that the whole of the Kurnool district was not so fit for it. It is a strange answer that could be given only by this Government. I am sorry that the hon. Minister has not taken pains to find out how best to help that district. It is a poor district and it is only poor agriculturists that require help in this manner. The rich can take care of themselves really. If rich people come forward, I am sure the Government will say 'You can take care of yourselves'. If the poor come forward for help they say 'You are poor, you do not require help, you will not be able to fulfil obligations in an easy manner'. This kind of argument is merely shirking the responsibility that rests upon the Government. As a matter of fact, I know, Sir, that when the hon. Mr. V. Ramadas Pantulu visited the Kurnool district, the cultivators in Pattikonda, who were very anxious to have a land mortgage bank approached him and he promised that he would attempt and get a land mortgage bank for the area. I specially invite the attention of the hon. Minister for co-operation to this state of affairs, particularly in our poorer districts—in the Kurnool, Cuddapah, Bellary and Anantapur districts. We are certainly in need. Our ryots are badly indebted. Their indebtedness is so great that they are very often obliged to take money on credit from these societies to pay the ordinary kist every time. That is the position in our districts. And if they are indebted so badly it is up to the Government to see that they start land mortgage banks on a large scale and give all the help that is necessary.

"As for honorary workers, I am sure that, if the Government make a move in the matter, they will be able to get sufficient honorary workers. When the Registrar gave them the report that there were not enough of honorary

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workers it was not right and he did not make a correct statement when he said that he actually received a particular telegram that enthusiasm was waning. It was a misrepresentation. After a long waiting the friends there wired to him to say that the land mortgage banks should be started very early, otherwise enthusiasm would wane. He interprets it as telling him that enthusiasm is waning and therefore there is no need for a land mortgage bank. This is a wonderful way of administering things. The hon. Minister, unless he looks into the matter very carefully, will be at sea really to find out what his department is doing.

"As to the Central Land Mortgage Bank, it has been talked of very long and we do not know what the position is.

"I therefore feel, Sir, that this motion must have the approval of the House. It is a very essential thing that the Minister should attend to and I hope that this will be voted upon favourably."

* Mr. R. NAGAN GOWDA:—"Mr. President, Sir, in supporting this motion regarding the question of establishment of land mortgage banks in the poor districts of the Province, I wish to say a few things regarding the work that has been done in other countries where similar conditions existed. Sir, about 40 or 50 years ago in Denmark the agriculturists were almost on a par so far as their economic conditions were concerned with those of the western districts of this Presidency. The cultivators were poor and they were indebted. But the Government of that country took a bold step and helped them in an unique way to get over their difficulties. Sir, they started banks by which they enabled the ryots to borrow to the extent of 90 per cent of the value of their property including homesteads. Not only that, they allowed them to pay this money back in instalments all the way from 40 to 90 years. Thus, they enabled the ryots to borrow money and enabled them to pay it back in very small instalments so that they could never feel the burden of paying back the money so due to the Government. Now, Sir, I need not say that Denmark has advanced so far that it is one of the countries where poverty has almost been extinguished. But that is an experiment conducted several years ago. Even two or three years ago, in a country which is as rich as the United States the Government have been giving help almost similar to that which I have mentioned. They allow in Texas a farmer to borrow as much as 90 per cent of the value of his farm property and then they give him 30 to 50 years to pay it back. It is some such thing that is required in this country to help the ryots to pay off their debts. I do not know of any ryot who is not indebted and I am sure that 70 per cent of them are so much indebted that they do not know how to get out of the difficulty. In connexion with land mortgage banks, it has been suggested again and again that half the value of the debentures have to be sold to the public. That is, if a bank wants to start with a capital of one lakh of rupees, debentures to the value of Rs 50,000 have to be purchased by the public and the Government will come to the help of the bank to the extent of the remaining Rs. 50,000. This was tried in some places and it was found very difficult. I therefore suggest that the Government should not put this condition of the public raising as much as 50 per cent of the debentures for these land mortgage banks. The Government ought to be able to help the ryot in a more liberal manner. Sir, with these words, I support the cut motion."

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* **Mr. V. I. MUNISWAMI PILLAI** :—“ Mr. President, Sir, I wish to draw the attention of the Government to the necessity of opening a land mortgage bank in the Nilgiris. Some years back, several co-operative societies were started in the Nilgiris and a network of societies were working in various places. Unfortunately the societies could not work and some of them were reduced to a moribund state. Then a regular enquiry was instituted and an agitation was carried on in that district to start a land mortgage bank. During the time when Mr. Ranganatha Mudaliyar happened to be the Minister for Development, he gave a lead and started the question of opening a land mortgage bank in the Nilgiris and a committee was constituted. The idea is now coming to fruition and I find a provision of Rs. 50,000 to start a land mortgage bank in the Nilgiris. Sir, I happened to be on the Committee and during all the deliberations I have been pressing that the depressed classes also must be included in the operations of the bank. Now this bank is to be confined to the Badagas alone. Though they may come under the category of depressed classes, there are communities economically very poor such as the various communities that form the depressed classes and among the hill tribes of the Nilgiris there are Kotas, Kurumbas and other people who are very backward and economically poor. So when this question comes to fruition I would like the hon. Development Minister to include the depressed classes in the operation of the land mortgage bank. Now I think they are going to confine themselves to the opening of only one bank in the Nilgiris. I think that it will not be sufficient as the taluks are so constituted as to make the successful working of the bank quite impossible and I think the amount that has been provided for will not be enough to meet the demand. So, I appeal to the hon. Minister to see that the depressed classes are included in the operation of the bank and a larger amount provided for the land mortgage bank.”

* **Mr. C. GOPALA MENON** :—“ The establishment of agricultural banks is an old question. It was during the regime of Lord Wenlock that Sir Frederick Nicholson was asked to report on the necessity and advisability of starting agricultural banks in the Presidency and he has produced two monumental volumes. It is admitted that the economic vitality of the peasant is so low that 75 per cent of the agriculturists are in the hands of the village usurers and it is to relieve the ryots from the clutches of these village usurers that it was thought that agricultural banks should be established in rural areas. The indebtedness of the ryots in this Presidency according to Sir Frederick Nicholson's report at that time was about 30 crores of rupees. This question of establishing agricultural banks has been discussed since that time in the Legislative Council during the pre-reform days and also after the reformed Council came into existence and the Government have not done anything so far with a view to bring about that improvement. It is high time that this question is taken up and it will not be too soon if agricultural or land mortgage banks are established in suitable areas in this Presidency in order to help the ryots. With these few words, I support this motion.”

* **Mr. K. KOTI REDDI** :—“ Mr President, Sir, this is one of the subjects which ought to engage the serious attention of the Government. It is an admitted fact that the ryots in the villages do need financial help of the Government if they are to be relieved from the distress that they are suffering

1-15
p.m.

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from at the hands of the money-lenders. The Government are no doubt making some attempts and have made some provision for the starting of agricultural banks. But, Sir, the rules and limitations under which those banks have to be started do not seem to help such of those districts which are really needy and poor. The rule that half the share capital should be secured from private sources hits hard those districts which are not in a position to meet that demand. Take, for instance, districts like Cuddapah, Kurnool and even Vizagapatam. There are not people to come forward to raise this money. What does that show? It really does not show that the people do not require these banks but it clearly shows that there are not rich people to meet this contribution of half the share capital. And on that ground are those people who really need such a bank to be neglected because this money is not forthcoming? Sir, it is absolutely necessary that these poor districts ought to have such banks. I may even go further and say that every district whether rich or poor should have such a bank. They will have at least one wholesome effect. If these banks are once started the present usurious rate of interest charged by the money-lenders will receive a death-blow. The rate of interest will automatically come down. I hope, Sir, that some solution will be found by which the present rule regarding the contribution of half the share capital can be overcome. I hope the Government will look into the matter and arrive at a solution at the earliest possible moment."

* Mr. A. KALESWARA RAO:—"Mr. President, Sir, I wish to say that the resolution is worded 'poor districts.' But from the point of view of indebtedness of ryots, in my opinion, every district is poor."

* The hon. the PRESIDENT:—"Order, order. Unless the hon. Member wants to confine himself to districts which are poor, he will not be in order."

* Mr. A. KALESWARA RAO:—"I wish to speak about the Kistna district, Sir. This district barring the deltaic area is very poor and requires the starting of a land mortgage bank. There are some taluks which are completely dry and when I tried to find the indebtedness of the ryots in one or two villages, I found in one village that the people were indebted to the extent of something like Re. 80,000. It is appalling to note the indebtedness of these people."

"Even in deltaic area there are only a very few rich people. Seventy-five per cent of ryots there are indebted. Instead of the sowcar men having extensive lands purchase all the lands from the rest. And it is a fact that 75 per cent of the ryots are highly indebted. And I know that even in this area there was a clamour for the establishment of a land mortgage bank. I hear that the matter is under correspondence with the higher authorities and there are some legal difficulties which are under consideration. I hope that the Government will soon solve the legal difficulties if there are any and introduce legal facilities to establish land mortgage banks in almost every district including the Kistna district."

* The hon. Mr. M. R. SETURATNAM AYYAR:—"Mr. President, Sir, in 1925 the Government approved the organization as an experimental measure of land mortgage banks on a co-operative basis in four select localities in the Presidency. We have now 20 banks and only four or five of them are working satisfactorily. The chief difficulty experienced has been in selling

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debentures locally in spite of assurances. This question of debentures was discussed by the Registrar in November 1927 at a meeting held with the representatives of the existing banks. It was agreed that in view of the impossibility of getting adequate funds a central land mortgage bank should be formed at Madras with an influential directorate to float debentures on the assets transferred by the primary land mortgage banks and to finance the latter out of the proceeds of such debentures. This matter was considered at a conference consisting of myself, the secretary, the Registrar, an officer of the Imperial Bank of India and a leading co-operator of the Presidency and we have decided to open a central land mortgage bank and provision has been made for it in the budget this year. As soon as a central mortgage bank has been formed other land mortgage banks in the several districts can be formed and this difficulty can be solved easily.

“With regard to the specific instances pointed out by my hon. Friend Mr. Harisavottama Rao I will have them discussed with the Registrar and see what can be done in the matter.

“As regards the legal difficulties raised by my hon. Friend Mr. Muni-swami Nayudu in regard to the working of land mortgage banks I give the following:—

‘The Government of India have been addressed with regard to enabling land mortgage banks to sell mortgage properties without the intervention of Civil Courts.’

“Amendment of the Insolvency Law. The Advocate-General has given the opinion that no amendment is necessary.

“The draft Bill to amend the Co-operative Societies Act is ready and the matter of amending the Loans Act—Agriculturists and Land Improvements—is under consideration in connexion with the Bill.

“I assure this House that the Government is quite alive to the necessity of starting land mortgage banks and we have decided even at the last stage to form a central land mortgage bank at the expense of the Government.”

* The hon. the PRESIDENT:—“I find a difference between the amounts stated in the schedule and the out. The motion is to reduce the allotment of Rs. 10,83,300 but the grant is only for Rs. 10.83 lakhs. So, I want either the Finance Member or the Finance Secretary to make this point clear. Will the hon. the Minister be able to explain this difference? Is it due to the fact that sums less than Rs. 500 are omitted.”

* The hon. Mr. M. R. SETURATNAM AYYAR:—“I think so, Sir.”

* The hon. the PRESIDENT:—“The question ‘is to reduce the allotment of Rs. 10,83,900 for Co-operative Credit Societies by Rs. 100’.”

The motion was put to the House and declared lost.

* Mr. S. ARPUDASWAMI UDAYAR:—“Mr. President, Sir, I move
‘That the allotment of Rs. 10,83,300 for Co-operative credit be reduced
• by Rs 100.’

to discuss the co-operative policy of the Government.

“In doing so I wish to draw the attention of the Government to the fact that the department shows a tendency to devote time to meticulous details rather than to the fulfilment of the statutory duties and obligations imposed by the Townsend Report. Sir, the Townsend Committee have laid

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down this principle which is the key-note of co-operative enterprise. They say: 'we agree that the ideal to be aimed at is for Government subject to the due execution of their statutory duties (of which they cannot divest themselves) to permit the control of the co-operative movement to devolve on non-officials. But the time for putting the ideal completely into practice has not yet come. Although the time has not yet come for the ideal to be pursued it nevertheless holds that what is contemplated by the Townsend Committee is that the departmental officers should as much as possible allow the greatest freedom to non-officials and confine their attention to the execution of their statutory duties. The committee also state that one of the most important duties of the Registrar is to convene conferences. With regard to this point they make the following remark:—

'This practice, namely, of holding periodical conferences, was in vogue formerly and we consider that this should be established.'

"These conferences are intended to bring together the officials and non-officials to discuss important problems.

"Sir, another thing I want to point out is that the primary societies should have frequent audits and especially the cash balances must be checked very often. Many a society has been brought to moribund condition for want of proper audit. Sir, I am speaking only from my limited knowledge and I know only what is going on in my district. I find from the report of the Central Urban Bank for the year 1925-26 that the state of affairs of the societies dependent on the bank is not satisfactory.

1-30 P.M. "I will read from the report for 1925-26: 'The executive committee granted extensions of time to twelve societies for repayment of loans due by them.' And then I find the following list showing the details of overdue. In the report for 1926-27 I find that though the bank was in a position to meet the demands of the societies throughout the year, there has been increase in the amount outstanding under loans to societies at the end of the year. It is somewhat disconcerting to know that there were a number of societies which did not take advantage of the reduction in the rate of interest and did not function so as to take loans for the benefit of the members in the current year and in the years previous to it. These societies have to be placed on a sound footing with a view to make them take the needed initiative for securing cheap credit for the members.

"And then, we find that the total sums covered by these extensions amounted to Rs. 10,442-2-5. Coming to the report for 1927-28, we find that. . ."

The hon. the PRESIDENT:—"The hon. Member will continue his speech after lunch."

The House then adjourned for lunch.

After Lunch (2-30 p.m.).

* Mr. S. ARPUDASWAMI UDAYAR:—"Sir, I refer to the report for the year 1927-28. There I read that even after the reduction of the interest, the number of societies that have borrowed from the central bank is only 150 during the year as against 443 societies in the province. It is disconcerting to note that there has been no improvement in the condition of so many as 135 societies which did not borrow last year and still continue in, so to say,

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a moribund condition. It is clear, Sir, that much leeway has to be made up. The Co-operative department, federations and unions have to carry on a very intensive propaganda to revive and rehabilitate the societies, to see that they are manned with able people and responsible panchayatdars. When such is the condition, I am bound to remark that this very central bank is threatened with liquidation.

"For the last two or three years there had been a controversy going on between individual shareholders and society shareholders. The late Mr Hemmingway effected a compromise. Sir, I do not see why the Co-operative department should encourage these dissensions. Perhaps I am not warranted in saying that they are encouraging them. But I ask what has the department been doing all these two years? Why cannot the Registrar meet representatives of individual shareholders and also society shareholders and arrive at a compromise? The president of this bank is the first citizen of Trichinopoly, Sir T. Desikachariyar and one of the leading shareholders is a well-known landholder. Why should this kind of confusion and controversy be allowed to go on and why these society shareholders who have only Rs. 45 to pay while individual shareholders have to pay Rs. 250 should threaten the central bank with liquidation, I cannot account.

"Sir, the most important duty is auditing. And on this point the Townsend Committee say: 'We draw attention to the fact that the object of the audit has not been fully carried out'. Then they have made their recommendations for its proper care. The Committee also say: 'We find that in practice the statutory duties above referred to have not been carried out in full as the staff has been employed on details not strictly covered by statutory audit.' And my contention is that the staff perhaps are employed on details which have nothing to do with audit and which may have a disastrous effect on the expansion of co-operation. I will give one example, again taken from my district. This very central urban bank of which I have spoken had in view the construction of a huge building for its offices and for that purpose it acquired a site at Tennur. But the department, unfortunately, threw obstacles in its way. The department suggested the advisability of acquiring a much larger site so that in addition to housing this bank it might be possible to develop several other activities there. And then it was surprising to find the Town-Planning Director also advising the President of the Bank to leave a certain portion of the new premises for the purpose of a road. I do not know whether the municipality at Trichinopoly had any kind of town-planning scheme under consideration."

* The hon. the PRESIDENT:—"Order, order. The hon. Member is now speaking on the Demand XXV—Co-operative Societies and therefore the town-planning schemes of the Trichinopoly municipality have no place here."

* Mr. S. ARPUDASWAMI UDAYAR:—"Sir, I was saying that on account of the objection raised by the Co-operative department the proposal of the president of the central urban bank to request His Excellency, when he paid a visit to Trichinopoly, to lay the foundation stone had to be postponed. Sir, what I want to say is that instead of concentrating their attention on audit and carrying on intensive propaganda for the rehabilitation of the societies which are now in a moribund condition, it is certainly very strange that these officers should find time to interfere with the discretion of the president of the central bank to put up a building for the purpose of better carrying on the work of the bank.

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"Again, Sir, very many members of the Trichinopoly Fort wanted to start a bank. I can understand the reasonableness of any suggestion made by the responsible officer in the district to limit the area of the operation of the bank to three wards, for example. But that is not what he said when his permission was sought for the purpose. His order was that they should not have more than one ward as a unit. Sir, if I refer to the municipal ward it is only for the purpose of drawing attention to the meaningless way in which these wards are formed. A row of houses in one street is made to belong to one ward and the opposite row to another ward. Under these circumstances when the departments interferes and says that there must be only one ward taken as a unit, it positively damps the enthusiasm and discourages the intentions of those who want to start such banks. The personal element has always to be taken into account. There is the danger of past strife or factious spirit creeping into these societies formed, and certain persons or leaders of faction adopting a certain policy detrimental to the interest of societies. Everywhere there is this danger of vested interests being formed. My contention is that there is the danger also of the department developing along wrong lines and becoming a vested interest if its activities are not strictly confined to those statutory obligations which, according to the Townsend Committee, they should attend to, viz., audit, carrying on intensive propaganda and also never meddling with other matters. If I make mention of these, it is to point out what I consider to be a very dangerous activity.

"I know that the Townsend Committee has also recommended that the officers who are appointed as deputy registrars or registrars should be very efficient men. Evidently their intention was that these men should give the right kind of lead and guidance and should be strictly impartial. Their primary duty is to attend to the efficiencies of primary societies, federation and other units and to see that the societies were not allowed to become half dead or actually dead. On them lies the duty also of leaving no stone unturned to see that the various societies are revived. If all this is looked into, there will be no danger of the department becoming a hindrance to the free expansion and development of the various co-operative societies. I move this motion in order to draw the attention of the hon. Minister to this important matter."

* MR. V. I. MUNISWAMI PILLAI:—"Mr. President, Sir, in seconding this cut motion moved by my hon. Friend Mr. Arpudaswami Udayar I would like to say a few words as far as the depressed classes are concerned. At present the Government advance money against the building societies at the rate of $6\frac{1}{2}$ per cent. The Government are not a speculative body. It is their duty to help the poor people to build their houses and that duty cannot be done properly if the rate of interest is to be what it now is. I understand that this matter is under the consideration of the Government. When His Excellency the Governor of Madras, Lord Goschen, opened the Public Works Department survey building he observed that in England the rate of interest was very low and that for every Rs. 100 share capital paid up a member could get a loan amounting to twelve times the paid up share capital. Now, here, according to the departmental rules, for every Rs. 100 paid by way of share capital, only five times that amount is allowed as loan. On account of this, the depressed classes have not been able to take advantage of the building societies.

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“Secondly from the last administration report of the Co-operative department, it is observed that there has not been enough of supervision over the societies maintained by the depressed classes. I know that many societies have had to be liquidated or are on the verge of being liquidated, and I think that is entirely due to want of more supervision. I am sure that Government will see their way to remedy matters in this direction. 2-45 P.M.

“Another thing that I should like to refer to is this: Government advance money on a co-operative system to poor depressed classes for acquiring house-sites; and repayment is arranged to be paid after a few years in long term of instalments. After a few years the interest itself rises above the capital and naturally it makes it impossible for the poor people to pay back the loans. In certain circumstances where the depressed classes are not in a position to repay the interest, I would suggest that the Government may write off that interest.”

* The hon. the PRESIDENT:—“The question is ‘to reduce the allotment of Rs. 10,83,000—Co-operative credit by Rs. 100.’”

“Mr. Basheer Ahmed has given notice of a motion.”

Mr. C. V. VENKATARAMANA AYYANGAR:—“That is a little different.”

* The hon. the PRESIDENT:—“I do not think we shall have a vote on that cut motion. After all, we are putting the objects of these cut motions before the House.”

Mr. C. V. VENKATARAMANA AYYANGAR:—“My only fear is that Mr. Arpudaswami Udayar may withdraw his motion.”

* The hon. the PRESIDENT:—“I am not going to allow discussion on the second motion. (Voices ‘very well’, Sir).”

* Mr. R. SRINIVASA AYYANGAR:—“I should like to say a few words on this cut motion. It is a matter of common knowledge that co-operative movement is a mass movement intended to better the condition, economic and otherwise, of the poor labourers and agriculturists. So far this movement has not touched more than 10 per cent of the population. In the demand, provision is made for about ten or eleven lakhs. Well, Sir, I am connected with this movement so far as my district is concerned since 1919 when a district supervision council was constituted and later on it was converted into a bank, and last year by means of a resolution under Registrar’s instruction it was converted into a district central bank and I am now in the directorate. I have had the good fortune of having been its president for three years, and I can therefore speak with a certain amount of knowledge of the inner working of the department, and if I take some time of the House regarding the difficulties which came to my notice, I hope that the time taken will not have been in vain. Unfortunately for the past two or three years, this mass movement—this co-operative movement—which ought to be above caste, above parties and above all political considerations, under advice—I do not call it creditable—under evil advice of some wire-pullers, has taken a different turn and the people are creating discord and factions among themselves. I know of instances of some departmental men poking their nose in matters which do not immediately concern them. As my hon. Friend from Trichinopoly put it, we find societies quarrelling against banks, and federations quarrelling against central banks, so much so, that at the meeting of a board of management we find a spirit of

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unhealthy animosity and antagonism between one section to which I have the honour to belong, viz., shareholders, and another, the directors representing the societies. So far as the management of the board of South Arcot is concerned, it consists of thirty members of whom twenty-one are elected by societies and nine by individual shareholders. The worst part of it is that all the twenty-one members on the board above referred to are sent by supervising unions who also have seats in the governing body of the federation, with the result that the same set of persons who occupy a seat in the federation and whose attitude is by no means friendly also occupy seats in the board of management of the central bank. They come here and they are not disposed to take a detached and dispassionate view of the things that come before the board. They forget the fact that in the interests of proper administration of the finances of the central bank and in the interests of proper discharge of the duties of the central bank, they must consider themselves as members of the board of management rather than as members of the board of federation with the result that oftentimes conflict arises and many a time I had to play the rôle of a peace-maker. I have no quarrel with bigger men. The smaller fry who have got a hand in the management of the movement which is intended to better the condition of the people makes their condition possibly worse. Communal cry is raised and communal differences are exploited. So, unless the Government take proper steps to remedy the evils, I am afraid the movement is bound to lead to disaster.

“Moreover on going through the report, I find Mr. Hood, the Registrar of Co-operative Societies, has adopted some of the recommendations of the Townsend Committee but he has failed to adopt many more which I am absolutely certain go a long way in placing this movement on a stable and satisfactory basis. One appalling feature is the large amount of overdues. The administration report contains a melancholy tale of the long and heavy dues for the collection of which no steps have been taken. The central bank which advances sums is quaintly told that it has nothing to do with the collection of those amounts. My opinion is that it is incumbent upon, nay it is the primary duty of, a central bank which advances moneys to these societies, not to sit quiet, with hands folded, but to collect those moneys without mincing matters. The societies put their case thus : ‘ You being the financier your duty is to lend and our right is to take the money, but you shall not do anything to collect the money from us ; you must leave it to us and the good sense of the supervising unions or federations ’. Regard being had to the composition of the supervising unions and the federation and regard being had at times to the indebtedness of the ryots, I say that unless and until an outside agency steps in to remedy matters, there will be only chaos. So far as my district is concerned, the last year’s administration report shows that in the course of the official year 1927-28 about 28 lakhs have been distributed to the societies. We had the good fortune of about 25 lakhs of rupees being deposited in our bank by public bodies of our own district, such as the district, board, etc. One of the biggest depositors is the District Board of South Arcot and they have invested seven lakhs of rupees. This board thought it necessary to leave the money with us in the full hope and confidence that it would be distributed to proper quarters and the same returned with interest as and when it fell due. But if at every turn our activities are to be arrested and cribbed and cabined by

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societies actuated by interested motives, I say, woe to the movement itself, for I know that very many depositors think that unless prompt and effective steps are taken to get rid of this large arrears they would be obliged at once to withdraw their monies. There will also be no possibility of their renewing the deposits.

“There is one other matter to which I would like to refer. The Registrar of Co-operative Societies presumably with a view to find out an outlet for the large accumulated surplus lying idle in the Madras Central Bank and Urban Bank seems not to have hit upon the right thing when he gave the central banks instructions in the matter of receiving deposits. They are to the effect that interest on deposits made by local bodies should not exceed 4 per cent. That is very hard for this reason. Time was when our bank was giving them 6 per cent, and then it was reduced to $5\frac{1}{2}$ per cent. Again we were asked to reduce it to 4 per cent. But they (the local boards) in view of the parochial patriotism and the way in which we persuaded them agreed to take $4\frac{1}{2}$ per cent and we are lending the money to the primaries at $7\frac{1}{2}$ per cent. When we took the matter to the Registrar saying that we might be permitted to pay more than 4 per cent interest to these local bodies he said ‘No’ with the result that our bank is losing on average Rs. 21,000 profit per year.’ I do not think the Registrar should be permitted to impose this difficult restriction on the Central Bank in the matter of rate of interest which I think may be safely left to the Central Bank. That is a matter which I would like the Government to seriously consider. But then there is the danger of the department sitting tight upon us and passing some other orders which it would be impossible for us to carry out. There are as many as 3,000 societies which are dormant and instead of mending or ending them, or rectifying them or liquidating them, the tendency of the subordinate staff seems to be to increase the number of societies every year to justify their existence.

“In the matter of societies, unless I am wrong, I shall be glad to stand 3 p.m. corrected, South Arcot comes first; it has as many as 854 societies of which, some, of course, are dormant and in their cases it is difficult to realize the loans given to them.

“Then again, Sir, in the Punjab and Bombay, there is a rule exempting the payment of money order commission on remittances advanced by the societies to the central banks. No such rule prevails here. I hope and trust that this Government will see their way to pass a rule of that nature.

“Coming to arbitration, it is sickening to note that arbitration takes a long time and when the department is called upon to take action under section 36 of the Co-operative Societies Act, it takes a of lot time. There is a further rule which imposes restriction upon the number of decrees that can be executed in a taluk at the instance of the Revenue Department. I think the number has been limited to about 40. Why any such limit should have been placed upon the number of decrees to be executed, I, for one, fail to understand.

“Out of 21 Federations, only about 16 or 17 of them have direct representatives on the central bank. So far as the South Arcot and Chingleput districts are concerned, they have no representation on the federation whose attitude is really astonishing. I drew the attention of Mr. Hood to this matter who said that, unless the federation was reasonable, he would be driven to the necessity of taking drastic steps to disaffiliate the federation.

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“There is only one other point to which I wish to make a reference; I have already drawn the attention of the Council to the necessity of the Government passing final orders on the Townsend Committee report on Co-operation. That is a valuable contribution to the movement. It is a pity that, although the Committee toured throughout the Presidency, visited a number of places, examined as many as 125 witnesses and sent out the questionnaire to a large number of persons, the Government have so far declined to publish the evidence taken by the Committee in various places. I cannot understand why the Government should fight shy of this question. Refusal, reluctance or unwillingness on the part of the Government, on any ground whatsoever, to publish the evidence must be due, I submit, to one of three reasons, firstly, to the bad and unsatisfactory way in which shorthand report of the evidence has been taken, which I refuse to believe; secondly, to the insipid nature of the evidence that has been tendered at the viva voce examination before the Committee which I must ask the House equally to reject, in view of the respectable position, equipment and the knowledge of a large number of witnesses that appeared before the Committee, and thirdly, to the bold, fearless scathing criticism offered by some of the witnesses with respect to the working of this Co-operative department. The Government do not want that that kind of evidence should be made available to the public or should see the light of day. When I put one or two questions to the hon. Minister for Development he said that the cost might come to Rs. 6,000 and, if there was a large demand for the publication of this evidence, oral and documentary, he would then consider the question of publishing it. I was not prepared for that kind of answer. The House may know that the evidence taken by the Unemployment Committee, the evidence taken by the Malabar Tenancy Committee and the evidence taken by the Tamil University Committee have been printed and made available for sale to the public. I cannot understand why a different attitude should be adopted by this Government with respect to the publication of this evidence.

“Before I resume my seat, I would like, with the permission of the House, to refer to one or two observations made by one esteemed Member of that Committee who is a Member of the Council of State, the hon. Mr. Ramadoss, who emphasises the necessity of this evidence being published. We are supplied only with the report but we have been denied the materials upon which this report is based. That is rather a funny and curious attitude for the Government to take. He says:—‘In these circumstances, I feel that all those who are interested in subjecting the report to a careful examination will be placed under a serious handicap by reason of the evidence being made wholly inaccessible to them. I hope the public may still be able to persuade the Local Government to publish the evidence, notwithstanding the recommendations of the majority of the Committee to the contrary. Even after this report becomes out of date, as it is bound to in a decade or so, the evidence now collected will still be a useful and interesting record of considered co-operative opinion and may furnish valuable materials for a future enquiry.’ I do not think it is possible to put the case higher than this, because those words are weighty, and the reasons are so convincing that I hope and trust that the hon. Minister for Development will not allow himself to be weighed down by the bulk of the evidence. The cost of publishing it may not exceed Rs. 6,000, and the Government will be able to realize about Rs. 3,000 or 4,000 by sale thereof. I hope and trust that the hon. Minister

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for Development will see his way to pass early orders for the publication of the evidence. The other day he said that he would wait and see if there was a large public demand. As a member of the public, as a representative in this House, I make this demand. I ask him to treat with respect this demand on behalf of the general public. It is not open to him to say 'you are only one here and I do not regard this demand as a general demand.' If he wants further proof I may say that, before I tabled this motion and began to speak out, I had consultation with a large number of members of societies who told me that they would very much like this evidence to be published. Last year I tabled a cut motion to discuss the same subject but it was not reached for want of time. I had to wait for one year hoping against hope that, meanwhile, the Government would change their attitude unprompted by me and of their own accord, take up the matter and get the evidence published. With these words I beg to support the motion."

Mr. G. HARISARVOTTAMA RAO :—" May I know, Sir, if hon. Members may sleep in their seats here ? " (Laughter.)

* The hon. the PRESIDENT :—" Certainly ; hon. Members on the Opposition side are responsible for it ; they are not making the debate very interesting." (Laughter.)

* Mr. A. PARASURAMA RAO :—" Mr. President, Sir, I am glad to have caught the eye of the President at least now ; I have been trying to do so for the last three days. I have to state that the Co-operative movement in this country has been, since its inauguration, intended for the benefit of the poorer classes and this fact has not been denied. What I wish to point out is that the policy that has been adopted in the working of the movement distinctly goes to show that this very object has been entirely frustrated. The evidence given before the Townsend Committee by a majority of witnesses will surely bear me out. As my non Friend, Mr. Srinivasa Ayyangar, stated this is one of the reasons for which the publication of the evidence is withheld. After the last year's budget discussion I remember there was an attempt on the part of the Government to publish the evidence. I was one of the witnesses examined by the Townsend Committee ; a copy of my oral evidence was sent to me for being corrected ; after correction I returned it ; what became of that evidence afterwards is not known.

" Be that as it may ; so far as the movement is concerned, I have been connected with this movement for the last nineteen years and I must say that it is a failure because of two important reasons. The rate of interest is high and it has not deterred the money-lenders from lending money to the persons who are likely to be benefited by this movement. Secondly, the borrower is generally steeped in debts to an enormous extent. Unless he is redeemed from that debt there is no possibility of his being benefited, because the loan that is granted by these societies is Rs. 500 or 1,000 at the utmost. The amount that is taken as loan is spent on objects other than paying the money-lender who is already keeping him under his grip. This accounts, in no small degree, to the overdues. The money lender is near at hand. As soon as the crops are ready, he pounces upon them, takes the amount and leaves nothing to be paid to the Co-operative Society whose supervisors come off and on ; by the time they come there will be nothing left in the hands of the borrower ; that is the rule. Unless land mortgage

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Banks are started, as is proposed to be done now, there is no possibility of this movement succeeding in any measure. I can assure hon. Members"

* The hon. the PRESIDENT:—"I believe the hon. Member is referring to land mortgage banks; we have already disposed of that question."

* Mr. A. PARASURAMA RAO:—"The whole policy is covered; the reason why there has been failure is. . . ."

* The hon. the PRESIDENT:—"The vote of the House has been taken on the subject of land mortgage banks. The hon. Member will not be justified in referring to it now; I rule that he is out of order."

* Mr. A. PARASURAMA RAO:—"I am simply suggesting that by some means the Government may think of reducing the amount of interest so that the money-lender will not have any opportunity of lending to these people. I would suggest one course if it is acceptable to the Government, because they are dealing with public funds. Public funds are in their hands as trustees to a very large extent for which they do not pay any interest at all. Those funds are kept in civil deposit in thousands and thousands and the Government do not pay a pie as interest; they are kept in banks. Why not such amounts be made available to these banks at a low rate of interest? Probable objection to this course may be that these amounts should be kept in deposit to be paid whenever parties apply for it. I daresay they have that duty. At the same time, I would suggest that a fair portion of that amount, say 20 or 25 per cent, may safely be entrusted to these bodies at a low rate of interest, viz., 4 per cent and that may be made available to the public at 5 per cent. That would no doubt considerably relieve these people. Then again, there is one amount which they get as a wind-fall, the lapsed deposits of Civil Courts. Year after year, not less than a lakh of rupees is credited to Government. All these are small amounts collected from the poor ryots and that amount at least may be lent to the ryots, from whom this money is realised in small dribblets, at 4 per cent in order to benefit them. I don't know if I would not be in order if I appeal to this Government to make the Imperial Government lend them a portion of the Savings Bank account, because a number of depositors get only $3\frac{1}{4}$ per cent and if a portion of that money is lent at 4 per cent that may be made available to the public at 5 per cent. Again, all this money comes from the people and the Government are keeping that amount as trustees. Why not this amount be made available to the poor ryot?"

"As for arbitration, the less said about it the better, because there has been so much confusion with regard to the passing of decrees by means of arbitration. There are cases in which the papers are not found and when decrees are sent for execution to the Revenue Department, they are very apathetic and indifferent about it and say that the decrees are not forthcoming. That is the position in which we are in. But, some time ago, I found in the papers that when the Collectors' Conference met at Ootacamund, this was one of the subjects considered at the conference. I do not know what came out of that conference. Whatever that may be, it is ridiculous to say that a Tahsildar who wields such large powers, and who has a large number of village officers, would not be able to execute more than 40 decrees in a year. This does not stand to reason. I would therefore appeal to the hon. Members of this House, through you, to see

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whether the Collector is perfectly justified in stating that a Tahsildar could execute only forty decrees and not more. Certainly, the Tahsildar has no doubt other work which he ought to do and which takes up time. But, he cannot think that this is a work for which he is not responsible and that he is probably doing it as a matter of grace. Unless that impression is removed from the Revenue Department, there is no possibility of executing these decrees more rapidly.

"There is the other branch of this co-operative movement and that is the house-building societies. That is another bugbear. The building societies have been started in the beginning with no definite proposals and no definite and ascertained rules for the people to work. What I mean is that a set of rules were first introduced and immediately after that some people had borrowed under those rules. Then those rules were changed. We do not know how when they are under a contract and without the consent of one of the contracting parties, the Government could change the rules and say, 'you are bound, whatever may be your original condition under which you entered into the contract'. Now, the difficulty is they have turned round and these borrowers have practically non-co-operated with the movement and they have refused to pay the amount which they borrowed for building purposes and the trouble is that we are not able to recover the amounts that have been advanced on these houses. For, when we want to sell the houses, there is either combination among them not to purchase, or when a number of houses have to be sold at a time in a small area, certainly there will be no persons coming forward to purchase them at a reasonable price. Under these circumstances, there is a handicap so far as the working of these building societies are concerned. This point was not taken into consideration in the beginning when they were started. The other difficulty is that only ten years' term is prescribed for them to repay the loans. I have been suggesting that it is not possible to repay the loans which they have borrowed for purposes of house-building societies within ten years. Unless the term is extended to at least twenty years, there is no possibility of recovering these loans, I am sure. I again warn the Government through the hon. the Minister that this will land them in difficulties and there is no possibility of recovering the amount if they pursue this policy. At the time when these amounts were originally lent, no care has been taken as to the repaying capacity of the borrower, so far as the house-building societies are concerned. All sorts of men sent applications and as soon as the Registrar or the Deputy Registrar, or whoever may chance to deal with the applications, he said 'all right.' Loans are advanced. No doubt, those who apply are asked to provide themselves with 25 per cent of the estimated amount, and this may be manipulated by private arrangement between these parties. The result is that the borrower after constructing the house is not in a position to repay, because sometimes the amount comes to Rs. 100 or Rs. 150 every month. So, in those circumstances it has become very difficult to recover these amounts. These are some of the difficulties which I place before this Government, so that they may see that a better policy is pursued in future.

"Then, as for lending to the rural societies, I would suggest in order to avoid benami loans, whenever the borrowing capacity of a person is sufficiently high, the amount of the borrowing power also should be correspondingly raised with safety, taking proper precautions and at the same time

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lending money on the security of immovable properties, so that money may be quite safe. At the same time, I would request Government to give him a longer time to repay the loan. Now, I see, there is a desire on the part of the Registrar to confine himself to short-term loans. I submit, that these short-term loans would not in any way benefit the ryot. It is only this kind of loan that makes him dishonest and makes him take to several means of avoiding the real issue. Then he sets up some of his own men to borrow in order to satisfy his own needs. Under these circumstances, I would suggest that it is always desirable that long-term loans ought to be granted because such loans have been of great help to the ryots in other countries also."

* The hon. Mr. M. R. SETURATNAM AYYAR :—" Sir, first of all I must state that the Government are quite alive to the necessity of keeping the Co-operative department working in a more satisfactory way. Prior to 1925, the Presidency was divided into 23 districts each having one Assistant Registrar to do both credit and non-credit work. Subsequently, it was thought necessary to change the system by having a set of officers for doing non-credit work and employing Assistant Registrars only for credit work. This system also was found quite recently to be unsatisfactory, because the Deputy Registrar could not have proper time to devote to non-credit work in the midst of routine duties. Even several of the Assistant Registrars themselves were able to find time only to audit work. So, the Townsend Committee recommended that there should be a reorganization of the system, under which each district would have a district officer, of the standing of Deputy Registrar, having both the duties of credit and non-credit work. As for the recommendations of the Committee, we are also going to have a large increase in the number of inspectors to do audit work alone, so that each inspector will have only sixty societies under him. This system will diminish the large amount of over-dues in his jurisdiction. Mr. Srinivasa Ayyangar has remarked that final orders have not been passed on the recommendations of the Townsend Committee. The proposals contained in the report are placed in the budget and when the scheme is passed, final orders will issue. In regard to Mr. Arpudaswami Udayar's remark, I may say that in my own district the District Urban Bank has been a source of trouble to the movement. I think some unpleasant things have happened there and I hope something of a more compromising nature will be done in regard to the affairs of the bank.

" Then, in regard to Mr. Muniswami Pillai's request that the rate of interest on loans to depressed classes societies which are really poor should be reduced, if any specific cases are brought to the notice of Government and if they really deserve such concession, it will be considered by Government.

" With regard to building societies, if we compare the rates in other countries, loans are often given on a much higher percentage than what obtains here.

" Mr. Srinivasa Ayyangar mentioned about some conflict in the South Arcot District Bank. He said that it was due to communal troubles and that departmental people are taking sides. If any specific instances are brought to the notice of Government, due action will be taken on them. He also drew my attention to the receiving of deposits from the district boards at the rate of 4 per cent. This thing was done as per

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Registrar's circular. I promised I would, after consulting the Registrar about it, come to a satisfactory solution. Subsequent to that, the Registrar also was here, and I took Mr. Ratnasabhapaty Mudaliyar. We have discussed the matter, and a definite conclusion will be arrived at, in the course of a few days or in a month.

"Mr. Srinivasa Ayyangar referred to the matter of refunding to societies the money-order commission paid on remittances. I have to say that it is a central subject. We referred the point to the Government of India and they agreed to the proposal on the understanding that the expenditure should be met from Provincial revenues. The sanction was not availed of as it would practically amount to subvention from Provincial funds and not a real refund of commission which could be credited to central revenues.

"Then, Sir, as regards the evidence of the Townsend Committee I have 3-30 to say that I have not yet received a complete copy of the same; and if ^{p.m.} there is a public demand for the publication of the same by means of resolutions or otherwise in this Council I shall try to do what I can. Except from the hon. Member who just spoke I have not received any representation or petition from outside with regard to this matter. As regards the other matters Government will try to do its best to satisfy the people."

* Mr. T. ADINARAYANA CHETTIYAR:—"Mr. President, Sir, I have no desire to pose as an alarmist. But with the intimate and first-hand knowledge of the subject that I possess owing to close connexion for the last quarter of a century with co-operative societies, I think I will be failing in my duty if I do not point out some of the glaring defects that have been observed in the working of the co-operative societies in our province. I am glad to find that this opinion is not confined to this side of the House alone. For, I see that my hon. Friend Mr. Arpudaswami Udayar, who always sides with Government, is also of the same opinion."

* The hon. the PRESIDENT:—"May I remind the hon. Member that the demand is to be put to vote at 3-45 p.m."

* Mr. T. ADINARAYANA CHETTIYAR:—"It is necessary for us in order to satisfy ourselves at least, if not to convince Government, that we should know the truth and that in future at least affairs are so shaped as not to give room for serious complaints. Sir, the working of the co-operative societies, especially the primary societies, is very unsatisfactory. It can, without any exaggeration, be said to resemble a whited sepulchre—all clean and white outside but rotten within. It is a very serious matter; because it is not a question of hundreds of rupees or thousands of rupees or even of lakhs of rupees but it is a question of crores of rupees. Not only the hard-earned income of the poor is invested in this movement but also the moneys of thousands of widows and children and of pensioners who have no more scope to earn are deposited here. Therefore any neglect on our part to mend matters will be nothing short of criminal neglect entailing the ruin of thousands of families as the Arbuthnot crash did years ago. Some of the evils that have been pointed out time and again are the improper retaining of cash balances often consisting of large sums by the secretaries and presidents, the existence of innumerable benami transactions, falsification of accounts, granting of bogus receipts to parties, etc. Then, Sir, large sums are deposited in these banks simply relying on the alleged

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security afforded by unlimited liability. But this is often chimerical and in many cases there exists no ghost of a chance for recovery of moneys invested being effected at any distant time whatsoever. I am not blind to the possible argument that a co-operative society has the right of taking out summary proceedings and then bringing the properties of members for sale. This is theory ; but what is our actual experience ? Many a time has it been observed that if property is brought to sale, the whole village joins together or rather co-operates against the financing society and thus there is none to purchase the land for a proper price. In the light of this experience, we know how far the argument that the societies are registered on the basis of unlimited liability and that they are automatically safe can be maintained. To be lulled to sleep on this sense of false security will be, to say the least, to be guilty of nothing short of criminal neglect. Then, again, Sir, the depositors and the general public often pin their faith to the infallibility of Government audit. But we know this Government audit has ensured no real safety. Who are these Government auditors ? They are none other than the ordinary inspectors of co-operative societies. And I may say, without wasting many words, that their audit reports are often not worth the paper on which they are written. In the case of Tiruchengodu Co-operative Union, expenditure of a sum running to four figures was being incurred without proper vouchers or the sanction of the executive and in spite of these grave defects, the auditor gives a certificate that everything was correct. Another thing to be noted is that even grave misdeeds pointed out in audit orders are ineffectual to punish the culprits or to ensure their non-recurrence. I know, Sir, of the secretary of a co-operative union in my district regularly paying himself twenty-five rupees a month as clerical fees without any sanction behind it ; and this has been going on for the last some years in spite of the audit certificates pointing out this irregularity. Recently, I asked the secretary his authority for persisting in this ; but he paid no heed to me ; he knows the departmental control is so lax. Hence I say that your audit certificates are often not worth the paper on which they are written. And as regards the annual report of the department, in spite of the gaudy orange-coloured and imposing volume, I contend it does not present a correct or real state of affairs. Moreover, the published figures in these reports are based on unaudited statements and often on the previous years' figures. Therefore, I repeat, you cannot entirely depend on the reliability of this department's audit reports and audit certificates.

"What is the remedy ? It is open to people to say 'you are merely indulging in destructive criticism.' I submit there is only one obvious remedy for this state of affairs. It is the employment of an adequate staff of inspectors and giving them adequate pay and status. At present the inspectors have not even a peon and they have no powers except that of reporting to the Assistant Registrar, who submits the same to the Deputy Registrar and who, in his turn, has to submit to the all-mighty Registrar while the defalcating rural secretary snaps his fingers at the inspector. It would be also in the fitness of things to entrust the matter largely to the banks that lend the money to these societies ; so that they will always take great care that the money is not lent to persons or bodies from whom it will not be easy to recover, not to say irrecoverable. Because the financing bank will be guided by self-interest, which is, after all, the most potent of instincts. But the present Registrar will not give the financing banks even the power of raising the maximum borrowing power of societies.

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"Some central banks have already their own supervision staff and have their own machinery for detailed inspection. Moreover, it is the non-official staff alone that can attend to the moral and social betterment of our villages which it is admitted are even more important than the material advancement of the ryots. But, Sir, what is the attitude of the Registrar in this matter? The Registrar has got a sort of bias against central banks. He holds their out-door staff cannot be efficient. But I can assure this House that some of these central banks employ an efficient staff. I have no hesitation in asserting that the out-door staff of my (Salem) District Bank will any day be a match for some of the best inspectors under the department. For in these banks appointments go on merit and ability and not on communal or sectarian grounds. We have no G.O. No. 72. (Laughter.)

"The latest nostrum of the Registrar for ushering in the co-operative millennium is the federation. I have great respect for the federation. Theoretically it should occupy a useful place among the machinery of co-operative official hierarchy. Federations are, to state the matter simply, combinations of supervising unions. But what has the report of the Townsend Committee to say about these unions? It bears eloquent testimony to the uselessness of most of the existing supervising unions. How then can a combination of these evidently inefficient unions, several of them absolutely non-functioning, how can a combination of these useless unions become suddenly efficient? The Registrar has, I understand, said the last word on this matter. His word must be law. Evidently, it is a case of 'I am Sir Oracle, and, when I ope my lips, let no dog bark.' His subordinates knowing what their superior officer is, self-opinionated and severe in punishments meted out to subordinates, they simply repeat what their superior says. Perhaps the federation may have worked well in a particular district and from that one cannot conclude that it is a universal panacea. We must take into account the local conditions, the inclination of the people and the suitability of the scheme to the environments. For instance, in the district of South Arcot whose representative Mr. R. Srinivasa Ayyangar has spoken earlier this day, we have the spectacle of a district federation neither doing the work nor allowing the District Central Bank to do it by employing its own out-door staff. This question has been further complicated by the supervising unions objecting to the pooling of both finance and staff.

"Then, Sir, why should the Registrar be an Englishman? And why does he want the help of a Joint Registrar—a post created temporarily but now sought to be made permanent—and a Personal Assistant besides a manager? He has under him the Deputy Registrars—the men on the spot—in whom he has implicit faith, and he has, I may say, more faith in these men than in experienced non-officials. A European Registrar, however well-intentioned he may be, however good his motives may be, goes in his car about the province on roads, better if tarred also, and so cannot understand what the people really feel, or what they really require. Why? He is an alien to the country, he is ignorant of the language of the locality, he does not know the manners and customs, and any knowledge he acquires he does through his subservient subordinates. For all these reasons, the strong case made out for an Indian Registrar can no longer be ignored.

"Another reason if more reasons are still needed why the Registrar should be an Indian is that the present Registrar wants the whole co-operative movement to be subservient to the interests of the Imperial Bank. Sir, on

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the Lalaji Memorial Day the Central Co-operative Bank at Nellore was closed as a mark of respect for the departed patriot. Neither the shareholders nor the depositors objected. But down comes Mr. Hood on this Bank and severely reprimands the bank's executive. May I ask, Sir, in all humility, what is it to H. M. Hood, Esq., I.C.S., if the Nellore Central Bank wants to observe as holiday a day set apart as a day of national mourning? Does Mr. Hood contribute to the bank's funds? Does he stand to gain or lose by the bank's prosperity or adversity? Is not Mr. Hood aware that on a former occasion the Imperial Bank closed its offices on the death of one of its Governors? Sir, that is not the only instance where the Registrar showed his racial bias. Recently, a co-operative bank in Dindigul resolved to devote a small portion of its common-good-fund for khadi work; but obstacles were thrown in their path by the department.

"Sir, the air is thick with proposals of reorganization. We were progressively asked first for a grant of three lakhs, afterwards for five lakhs, subsequently for seven lakhs. And to-day we are asked eleven lakhs. We have no objection to grant this sum provided Government utilize it in a proper manner. Let us see how Government propose to spend this additional sum. I am anxious that this vast sum is not spent in strengthening the higher staff, neglecting the lower staff. The higher staff is obviously to control the lower staff. But where is the adequate lower staff for so many men to control? Not only that, even as regards the recruitment of these officers a great deal of dissatisfaction is anticipated. Where again is the necessity for the continuance of the present assistant registrars when a deputy registrar practically for each district has been appointed? The Townsend Committee's Report—the Bible by which so many people were swearing—says that the present lot of assistant registrars are a fairly useless lot. The hon. Minister, I am told, is being pressed by the political party to which he has been lately admitted in spite of his Brahmanical birth, to fill the new additional posts of deputy registrars from out of the present lot of assistant registrars probably for reasons of favouritism. But, if the posts are to be filled up on considerations of patronage, there will come a time when either he or his successor will have to rue the day for the fatal mistake he would have committed. Recently one such person was appointed as deputy registrar, one who has absolutely no knowledge of economics or of co-operation and he was promoted overlooking the claims of deserving men apparently for no other qualification than of his subservient and salaaming nature. Very soon after his appointment he issued an injunction order against a long-standing co-operative society for which there was absolutely no legal justification. And when a question was put on the floor of this House the hon. Minister had to admit that his conduct was wholly irregular. This same officer further wanted to prosecute the people for disobeying his illegal orders. Then, Sir, with regard to the development of the non-credit side of the movement, though it is all right on paper, I know of a case, I do not want to mention names, where a demi-official was issued by a deputy registrar to the non-credit inspector to stop all non-credit work while the deputy registrar in all his formal official letters to the Central Bank promised his full co-operation in the promotion of its non-credit activities. It is rather late in the day to argue at any length on the urgent need for development of co-operation on non-credit lines if the agricultural and industrial aspects of our rural life have to be revived. Then, Sir, in the matter of the

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proposed new appointments I want to see that they are made on a merit and not on a communal basis. The Registrar must understand that it is the hard-earned savings of 42 millions that are at stake. He must understand that the money belongs to an unsuspecting and trusting public. He should not therefore appoint ignoramuses, who have no imagination whatsoever but whose only forte is communal propaganda and promotion of Self-Respect Conferences.

"There is again the important question of life-insurance. You will find all important cities, not only in India but in the West, the biggest buildings are those belonging to insurance companies. And yet, when the number of 'bucket shops' are daily increasing every day in every province and in every city swallowing up the savings of millions of poor people, you do not think it necessary to tackle the question of co-operative insurance for which your existing 15,000 primaries will be a most enviable asset. The only possible reason for neglecting this vast virgin field is want of knowledge on the part of the higher officers of the department."

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The motion was put and lost.

The demand was then put to the House and carried and the grant was made.

DEMAND XXVI CINCHONA.

* The hon. Diwan Bahadur M. KRISHNAN NAYAR :—"Sir, on the recommendation of His Excellency the Governor, I move—

'that Government be granted a sum not exceeding Rs. 1.94 lakhs under Demand XXVI--Cinchona.'"

* Mr. V. I. MUNISWAMI PILLAI :—"Mr. President, Sir, I rise to move—

'that the allotment of Rs. 1,91,100 for investment in Government commercial undertakings (Cinchona) be reduced by Rs. 100.'

"In doing so, Sir, I would like to bring to the notice of the Government the anxiety felt by the public due to certain circumstances which have arisen in regard to the cinchona plantations. From the facts and figures available, the scheme does not seem so far to be a success. So, the earlier the matter is investigated in all its aspects the better it will be for the public money spent over a scheme of this nature. Sir, in page 2 of the administration report of the Government on the Cinchona Department for 1927-28, I see it is stated thus :

'On the Anaimalai Hills, the Government of Madras have begun large-scale planting of cinchona with the aim of increasing supplies in India. As is usual when cinchona is grown in new areas, innumerable problems of cultivation arise which are peculiar to the district. That they will in time be solved is likely, but experimental work is always expensive. There is naturally a limit beyond which provincial resources can be utilized for these experimental works seeing it is on all-India account. Accordingly the view is expressed that the acreage to be opened in 1928-29 in the Anaimalais should not be increased until such time as the remaining problems are unsolved.'

"I would like to know, Sir, from the hon. the Law Member whether the various problems which are indicated in this report have since been solved. Moreover, Sir, the report further says :

'To obtain adequate supplies of labour is the great difficulty on this plantation and hence the planting work extended over four months resulting in some of the division being planted during a dry spell.'

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"Sir, I understand that cinchona seedlings were brought from the Naduvattam factory, that is, a factory of the Government lying in the Nilgiris, a distance of about 145 miles, and the seedlings were to be planted during a dry spell. One can easily understand what the result of this planting will be. Sir, now comes the important factor which is against the continuance of the scheme because the report further says :—

'After one year of apparent healthiness during which time the cinchona plants have grown to all satisfaction, a condition termed 'die-back' sets in resulting in a speedy death of the plant. On flatish land especially if sticky in character, the disease is most marked and this suggests water-logging. Increased attention to drainage readily strikes one as a preventive means, but unfortunately in parts of the estate where the soil is undoubtedly sandy in texture, the disease is also found.'

"It is also added :

'It is understood that the disease is also prevalent in Burma and so far the Imperial Mycologist has not been able to identify the disease.'

"Sir, the report further says :

'In the nursery, too, disease has appeared, but fortunately this has not proved so serious. As has been indicated above, the prevalence of disease makes the future not very reassuring for the result is that large areas are lacking in an adequate supply of plants. By the end of 1928-29 nearly 750 acres will have been planted and hence it will be necessary to take stock of the situation and defer any new planting in 1929 so that intensive cultivation can be devoted to the filling up of all parts of the plantation. So that success may be attained as soon as possible it is proposed to ask Mr. Calder, who is the expert on cinchona matters with the Government of India to visit the estates and express an opinion on the progress so far obtained and the assistance of the Imperial Mycologist of Pusa will be requisitioned to track down the disease on the planted areas. . . . It is hoped that after considering the inducements offered to labourers by neighbouring estates to put up a scheme for the approval of Government so that labour may be forthcoming in greater abundance

"Sir, turning to the figures in page 12 of the report, it is stated that Rs. 3,28,632 has been spent to the end of 31st March 1928 as against a sum of Rs. 14,97,769 proposed to be spent on this scheme as per G.O. No. 261, Development, dated 17th February 1925. At page 30 of the report the plantation account is given, and the interest itself is shown as Rs. 13,953. At this rate how long can the Government continue the scheme whose prospects are not assured? May I know, Sir, whether expert advice was obtained before the scheme was launched? I know that during the last 30 years several plantations in the Anamalais both tea, coffee and cardamoms were paying very good dividends to the shareholders. Apart from this there are several tea estates having cinchona side by side sending bark to the Government factory at Naduvattam from the Anamalais as well as the Nilgiris. I know several estates on the Kundah side of the Nilgiris which produce a good deal of cinchona bark and send it to the factory at Naduvattam. The Government will be well advised to concentrate the whole scheme of cinchona plantation on the Nilgiris or give up the scheme on the Anamalais as the results are not sure of success. The factory at Naduvattam I know, Sir, requires a good deal of bark to keep the factory working. Some years back I understood the planters, both Europeans and Indians, came forward and asked whether the Government would encourage them to take up cinchona plantation and whether the Government would assure them that a certain rate per unit would be guaranteed. But I think that was not done, or was turned down, and naturally the public do not take to cinchona plantation readily. In view of these large amounts involved and the results being not favourable, I think the Government would be well advised to see that a thorough investigation is made regarding this matter before any money is

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spent on this score. Sir, I was told that Government had to bring planting assistants or experts from foreign countries. I would like to know from the hon. the Law Member whether these officials have any previous experience of cinchona plantations or of the manufacture of quinine either in Java or in any other country which produces cinchona bark. If the Government were to insist on continuing the scheme in the usual course, they must get some specialists who know about cinchona, so that they may put this scheme on a sound basis."

* Mr. S. ARPUDASWAMI UDAYAR :—" Mr. President, Sir, I have great pleasure in seconding this motion. My friend who comes from the Nilgiris has local knowledge of these matters and the extracts which he has read from the annual report on this subject only give rise to alarm, and show that the anxiety expressed by him is well grounded. If I remember right, hon. Members of this House, especially my hon. Friend Mr. Saldanha and others, were for a larger output and distribution of quinine especially as an antidote to malaria. If, as my hon. Friend said, there is some danger of the plantations on the Anamalais not bearing fruit in the near future, I think that that question requires to be carefully looked into. The other defects mentioned by the mover and the diseases which attack these trees, they will have to be remedied at the earliest opportunity. I think the object with which he has moved this motion, namely, that the Government will carry on investigation into this matter, will certainly be served if this investigation is made, and it will certainly relieve anxiety and will help not only the planters but the masses for whom quinine is indispensable. For these reasons I second the motion."

* The hon. Diwan Bahadur M. KRISHNAN NAYAR :—" Sir, I may assure my hon. Friend Mr. Muniswami Pillai and my hon. Friend Mr. Arpudaswami Udayar that all the arguments which they advanced were considered by the Government before they made provision for this in the budget. As a matter of fact, the quinine factory at Naduvattam has to be fed by bark imported from outside. The bark that is produced in the Government plantations here in the Madras Presidency is not adequate to feed the factory at Naduvattam, so that it becomes every year necessary for the Government to import bark from Java and other places in the East. As it is now, this department is worked at profit. It is not worked at a loss. There is no danger at all of over-production or the plantations going to ruin. As I submitted, Sir, all the points that were mentioned in the report which was referred to by my hon. Friend Mr. Muniswami Pillai have been deeply considered by the Government before they made provision for this. And as a matter of fact it was on the advice of the officer in charge of these plantations that the Government have made provision for this so that there is no danger whatever. Even if we produce bark from the plantations that are proposed to be opened hereafter, even then, we shall have necessarily to import bark from outside. In these circumstances, there is no reason at all for the apprehensions expressed by my hon. Friend Mr. Muniswami Pillai and my hon. Friend Mr. Arpudaswami Udayar."

* Mr. C. V. VENKATARAMANA AYYANGAR :—" I thought, Sir, that the hon. the Law Member would make some useful answer to the debate that has been raised. The hon. the Mover of the motion has clearly wanted to know if this project is not useful or profitable, whether the Government will

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consider the desirability of disposing of the estates also. The question of the necessity of the Government opening this cinchona estate was very hotly argued on the floor of this House at the beginning and there were prophets here who said that this cinchona policy was going to end in a loss of some lakhs. It was then stated here, Sir, that a good deal of bark would be available in the Nilgiris itself, if the Government would only encourage the planters growing cinchona on those hills. Unfortunately, Sir, on the move and at the instance of the planters of Anamalais who were not satisfied with the grant of money made by Government for roads, etc., they managed to tempt the Government to become a cinchona planter and to embark upon this big scheme. No doubt we have been told more than once that we have to depend on Java bark to get the adequate supply of quinine here, but the Government now has not at any time considered the alternative suggestion made by Mr. Muniswami Pillai—to encourage the planters on the Anamalais and also on the Nilgiris in cultivating cinchona. There is no doubt, whatever, even now, that if cinchona is also planted along with other plantations like tea and coffee it would result in a great profit. But as the Government have entered into this question of having a large area for cinchona separately on the Anamalais, far away from Naduvattam, it is likely to end in great loss. I do not know what my Friend (the Law Member) meant when he said that it was a profitable concern. That is, of course, a profitable concern if we ignore all the money spent on the plantations in Anamalais. They no doubt show that all this money goes to capital expenditure which is likely to yield a large amount in the distant future. That is what has been stated in the reports of this year and the previous years. Considering the nature of the disease and the results of the disease, it is not at all desirable that the Government should become a planter on the hills but should encourage others to plant cinchona. There are people who are quite ready to take up this Government farm at any reasonable price, and the best thing for the Government would be to see if that cannot be done. Because if the Government continue to maintain these very large plantations—probably they are adding to it every year by adding to the number of new seedlings—there is no doubt whatever that, like other white elephant projects of which we have heard so often, this will also become a losing concern. After all, there is absolutely no necessity as to why Government should compete with private enterprise that has spent large sums of money—especially Europeans—on these plantations, both on the Anamalais and on the Nilgiris. I do not think there are any Indian planters yet on the Anamalais. But that does not matter. The Anamalai plantations are very progressive plantations. No doubt they have not yet taken up cinchona in right earnest, because they do not want to compete with the Government. The Nilgiri planters do grow cinchona to some extent, but the Government say that they are not producing either good or sufficient quantity of cinchona. It is the usual thing that when the Government want to start an industry newly they condemn the existing industry. Therefore the best that the Government can do is not to waste public money on plantations like cinchona but to hand their present estate and factory to private planters. If that is done, there is absolutely no fear that sufficient quantity of bark will not be available or that Government will have to depend on the mercies of the Java planters or anything of the kind. As a matter of economy and as a matter of ordinary business and also as an ordinary rule of policy of this Government, that they should

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not compete with private enterprise, I would strongly recommend that the Government do at once hand over these plantations to private enterprise and try to find out as fair a price as possible and not spend any more money on them."

The cut motion was put and lost.

The demand was then put and carried and the grant made.

DEMAND XXVII—INDUSTRIES.

* The hon. Mr. M. R. SETURATNAM AYYAR:—"Sir, on the recommendation of His Excellency the Governor, I move

'that the Government be granted a sum not exceeding 13.04 lakhs under Demand XXVII—Industries.'"

* Mr. P. C. VENKATAPATI RAJU:—"Mr. President, Sir, I move

'to reduce the allotment of Rs. 11,69,800 for Industries by Rs. 100', to urge the necessity for fostering cottage industries by liberal loans.

"Sir, in spite of the State Aid to Industries Act, nothing has been done to foster the cottage industries. It is an admitted fact that India is a country of villages and cottages and the nation really lives in the cottages, and the ordinary canons of political economy cannot strictly be applicable to the Indian conditions, as in the case of westernised, commercialised countries. The conditions of the industries of this country are quite different. India is a poverty-stricken country where people confine themselves to their own homesteads in small villages. They are, on account of their habits, tradition and culture, against the congregation of people in one big central place. It is the cottages that really harbour the whole nation. If in these circumstances the Government or the State want to commercialise and industrialise the country it will never be a success. It is to the village they will have to see for the supply of the various simple demands of the people. When I say that a villager is living on an average income of Rs. 20 or 30 a year, you will have an idea as to what the nature of his life, the simplicity of his life is; and in such cases even the fostering of a small cottage industry like the spinning wheel, which may not give him an income of more than 3 or 4 rupees a month, is of great help, and it will add immensely to the national income. And it is by fostering these cottage industries the State can ever hope to give some relief to the poverty-stricken masses. It is these cottage industries that will be of great help to the large number of agriculturists. For a great part of the year they are without work—their hours and days are not calculated on the western notions—and they are obliged to spend their time without engaging themselves in any productive industry. It is no use saying to them that if they spend their leisure period in some commercial concern they will be getting on well. Even if that advice be taken, you know the fate of the few people that have left their villages and are working in factories. Even there, they are miserably paid; and if a great number of people are to flock to these industries and factories, there will be more supply than demand, and people who own these factories and industries would still further reduce the already low wages now paid to these working men. That will also be a calamity to the people. So, taking into consideration the tradition, the nature and mode of life a great number of Indians lead, the best

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policy would be that cottage industries—especially such of the industries as will give a subsidiary occupation to the agriculturists in the off-season—should be fostered by the State as much as possible to relieve the poverty and starvation of the masses.

“I cannot understand the argument that some of the so-called economists are trotting out that by engaging themselves in these industries, these people will only get a pittance. What we want is that these people should find some subsidiary occupation to augment their income from land and usefully spend their leisure time on. From the very condition of their life, they cannot flock to the towns. Under such circumstances, any industry that will fetch the villager an anna or two a day will be welcome to him. So it is not right to say that the addition of an anna or two will not be a material addition to his income.

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“I know it was on account of some agitation in the country a survey of cottage industries was undertaken and it will take a long time for the complete survey to be done and necessary aid to foster these cottage industries to be forthcoming from Government. No action has been taken even in those districts in which the survey has been completed.

“Now in spite of the amendment to the State Aid to Industries Act, I see no rules are framed under the Act to carry on the intentions of the amendment of the Act. Even for a long time after the passing of the original Act it was practically a dead letter and no aid was given to any industry for a long time, and if the same course is to be followed even after this amendment and if no rules are framed for a long time and if the State does not come immediately to the aid of the masses and foster these cottage industries, then what is the use of the Government getting the Act amended? Of course, thanks to the various other organizations which are trying their best to keep alive and foster cottage industries, they are going on in spite of the rivalry of the huge machine production on western methods. I have the strongest belief that in spite of the mass production, in spite of the principles of economists in commercialised countries, the cottage industries are sure to survive but if no aid is given to them by the State they will be in such a state that they will not be able to add largely to our national finances. What can you hope to do by way of the betterment of our finances if you keep the people in such a poverty-stricken condition? Taking all these things into consideration, and in the interest of the Government itself, it is the duty of the Government to see that these cottage industries are fostered. The national income of the country after these 150 years of rule is miserably low—it is about Rs. 25 to Rs. 30 a year. That is the average per head. Even the betterment of this average income by Rs. 10 would be a great benefit to the people and indirectly to the State. Under these circumstances I say that unless immediate steps are taken to frame rules to the State Aid to Industries Act as amended and every effort is made to take this aid to the villages and to the cottages instead of keeping dead the provisions in the Statute book, the Government will be failing in their primary duty.”

* Mr. L. K. TULASIRAM:—“Mr. President, Sir, I have great pleasure in supporting the motion moved by the leader of my party. Mr. President, it will have to be admitted that in the matter of these cottage industries the Government have been really giving us a step-motherly treatment. After

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all, the vested interests of our British merchants have for long been to crush the cottage industries of this Presidency. Now, we know very well the state of our industries. The fact that they have not been treating the cottage industries liberally can be seen from the fact that the Government are maintaining only a few institutions for training people in industries. They are maintaining only five institutions for imparting technical knowledge. They are—

The Government Textile Factory,
The Madras Leather Trades School,
The School of Arts and Crafts at Madras,
The Government Trades School, and
The Industrial Institute at Madura.

“A sum of nearly 2 lakhs of rupees is being spent on these five institutions. We see that the activities of the department only consist of their participation in industrial and agricultural exhibitions, demonstrating pumping and boring machinery and also demonstrating improved weaving appliances. In the sphere of industrial education and fostering of cottage industries the Government no doubt maintain these five institutions. And out of the five schools maintained four are in Madras and one in Madura. The number of students on the rolls of these institutions on the 31st of March 1928 was as follows:—

7	in the Leather Trade, Schools.
52	in the Government Textile Institute.
425	in the Government Trades School.
466	in the School of Arts and Crafts.
83	in the Government Industrial School at Madura.

1,033 being the total strength.

“Mr. President, it must be admitted that education given by the Government to 1,033 students in a population of nearly 424 lakhs for this Presidency does not show that the Government are very sincere in promoting the industries. Then, Sir, a round sum of about 3 lakhs was spent in 1927-28 from the public funds without getting a pie from the managements as contributions for all these schools. Sir, the Leather Trades School which I may say is fostering a cottage industry has only seven students and there is an allotment of Rs. 63 lakhs provided in the budget for 1929-30 which works at the rate of Rs. 9,000 for educating a single student in the Leather Trades School. Sir, why the Government should contribute such a fabulous sum as Rs. 9,000 for training a single student in the Leather Trades School is a thing which I cannot understand. Though it has been recommended to be closed, nothing is being done. The Leather Expert, his assistants and laboratories are still there.”

The hon. Mr. M. R. SETURATNAM AYYAR :—“The hon. Member is speaking about cottage industries. I don't think tanning comes under cottage industries.”

* The hon. the PRESIDENT :—“Is it the point of the Minister that tanning does not come under cottage industries?”

The hon. Mr. M. R. SETURATNAM AYYAR :—“My submission is that tanning falls under factory industries.”

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* The hon. the PRESIDENT :—“ I think it depends upon how Mr. Tulasiram views it. If he thinks that it comes under cottage industries then he will be in order. If, on the other hand, he thinks it does not fall under cottage industries, then he will not be in order. So, I want to know from Mr. Tulasiram whether in his opinion tanning falls under cottage industries.”

* Mr. L. K. TULASIRAM :—“ I think, Sir, tanning is a cottage industry.

“ Sir, I think it is high time that this sort of waste of public funds should be stopped. Talking about the cottage industries I desire to state that I have the highest respect for the Development Minister because he is sincere and is very kind to us on this side of this House.

“ Taking now the weaving industry, the people who suffered most after the advent of the British are the weavers of the Presidency. If any gratitude is to be shown it ought to be shown to the weavers. But what is the state of that industry? Taking the whole of the Madras Presidency there are 52 students in the Textile Institute, 25 undergoing the supervisor's course and 27 undergoing artisan's course, and taking all the 26 districts of the Presidency including males and females we have 481 males and 27 females making up a total of 508 people studying the art of weaving in the several aided institutions. Sir, next to agriculture which absorbs more than 70 per cent of the population, the most prominent industry in the country absorbing 20 per cent of the population is the weaving industry. Now a sum of Rs. 40,645 is being spent for training 52 students in the Madras Textile Institute. It works at the rate of Rs. 781 for training one student in the Textile Institute. I would say that Rs. 781 will go all the way for a small demonstration school in every village. It is for the self-aggrandisement of the Textile Expert that they are running a big show at Madras, and this Textile Institute has been brought all the way to avoid criticism from people who know anything about the textile industry. I hear, Sir, that they are also going to open a dyeing section at great cost. When Sir K. V. Reddi was the Minister for Development I took him round to the buildings at Madura which were intended for a Textile School on the recommendation of the former Governor of Madras, Lord Havelock. It has been abandoned and the buildings have been converted into an office for some clerks of the Co-operative department to do their work there. The reason for condemning the buildings was due to the fact that both in the morning and in the evening they are exposed to the sun. The hon. Members of the Industrial Conference who met in 1908 at Ootacamund under the presidency of the then Governor Sir Arthur Lawley recommended that weaving schools ought to be started in several important centres and all these things have been thrown to the winds and we have the present Development Minister who, if he only knows what is the sort of feeling in the country about the treatment which the Government is giving to this cottage industry, will, I am sure, rise to the occasion and do something for us.

“ Sir, these cottage industries depend to a very great extent on the number of industrial schools. It is not experts who can develop industries. Experts cannot make industries. Industries will have to be developed only by starting industrial schools. A sum of Rs. 2.06 lakhs is provided in the present budget as grant in aid for industrial schools. I say that this is a very poor sum.

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"The total number of industrial schools recognized and aided by the department is only 63. A liberal policy should be pursued in recognizing industrial schools. I understand, Sir—I do not know by what irony of fate—I understand, Sir, that it is only missionary institutions that are thriving and that other institutions are not. I do not say this with any communal bias or motive. I find, taking the average of the people who are undergoing industrial training in the country—there are 3,798 or in round figures 3,800—we find that 52 per cent of this 3,800 are Indian Christians—about 2,006 Indian Christians out of a total of 3,798 are receiving industrial education in this Presidency; non-Brahman Hindus 19 per cent, Muhammadans 10 per cent, Brahmans $3\frac{1}{2}$ per cent—according to their population basis—and criminal tribes $4\frac{1}{2}$ per cent. This is a sufficient testimony to show that the Government is not raising its little finger to see that these industries thrive. The reason is that we have not got an Indian Director of Industries. If we have an Indian as permanent Director of Industries his whole idea would be to see that these industries are helped. In another Presidency, Bombay, they sent a deputation consisting of Mr. Sastri and another to Western countries to study goldthread-making. They returned and published a pamphlet on gold-thread manufacture which I find in the rooms of the Secretariat. That is a valuable document and if the Development Minister cares to read it he will become a real expert and will start some more industrial schools. (Mr. K. R. Karant: Hear, hear.)

4-30
p.m.

"Now, Sir, I find that the Government are attempting to class agriculture also as an industry. Now there is a branch of the industrial department which is supposed to improve our cottage industries having an industrial engineering branch. This swallows Rs. 2,75,000 and gives us a return of a small sum of Rs. 91,000. The activities of this department are confined to erecting, installing and maintaining pumping machinery which . . ."

* The hon. the PRESIDENT:—"Order, order. Is it the point of the hon. Member that boring and pumping are cottage industries?" (Mr. K. V. R. Swami: 'Boring may be.') (Laughter.)

* Mr. L. K. TULASIRAM:—"Sir, the money that is allotted for cottage industries is being wasted on agricultural experiments. That is my point, Mr. President."

* The hon. the PRESIDENT:—"I think the hon. Member will have to reserve boring for some other opportunity."

* Mr. L. K. TULASIRAM:—"I bow to your ruling, Sir."

"Now, Sir, we have the 'peripatetic weaving parties.' When I mention the words 'peripatetic weaving parties' I am tempted to laugh. A number of superintendents, demonstrators, surveyors and others travel together with the looms, weaving machines, charkas, etc., on their back and go from village to village and pretend to teach the people improved methods of weaving. Why not they go to Madura, Conjeeveram, Adoni, Kornad and other places where their teaching may have some effect? What are the places visited by this weaving party? Have they gone to important places where their services are really needed for teaching apprentices and novices? No. Sir, the qualifications of some of these people who pose themselves as superintendents, surveyors or demonstrators are nil. They do not know the

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names or the A, B, C of the articles used in weaving. It is high time that these parties are disbanded and some really useful work done. If the Government is sincere in its attempt to revive the weaving industry they should exhibit improved weaving appliances in some of the important weaving centres of the Presidency and teach the public.

"Now, what is the defect in the weaving appliances now in vogue? There are besides jacquard handlooms made of iron and steel and weavers are using the wooden jacquards which even the Germans use in their handloom factories. These could be brought to the doors of the weavers and demonstrations given. Sir, in a small place near Arkonam, there is a carpenter who makes a warping machine which would be as good as the warping apparatus which has been invented by Mr. Amalsad, the Textile Expert. If funds can be given for making a number of these warping machines and other improved appliances and if these are exhibited in some of the centres during the time of great festivals like Chithrai or Vaikasi festival at Conjeeveram, people would take to these processes and a great fillip would be given to cottage industries.

"Sir, in this peripatetic party there are five superintendents, fifteen demonstrators in the weaving section, and one superintendent and two demonstrators in the dyeing section. A sum of Rs. 18,700 is provided for these peripatetic parties. With this sum it would be impossible for these parties to effectuate their purpose. Further, these parties consist of novices in their profession. They are really afraid of giving demonstrations in new appliances and methods in important weaving centres. It would be a great step forward if these new appliances are exhibited at important weaving centres during the times of great fairs and festivals.

"Now, Sir, cottage industries also depend to a great extent on the award of industrial scholarships. The Government are very loath to put their hands into their purse for the purpose of giving more scholarships. They are giving only 60 scholarships for industrial education. They give two kinds of State scholarships—I wish to be corrected if I am wrong. Five scholarships are awarded to people studying in the Victoria Jubilee Technical Institute at Bombay, one scholarship for studying at the College of Mining at Danabad and one for studying at the Bangalore Research Institute. In all the Government gives about Rs. 40,000 for scholarships. Rs. 40,000 for scholarships on industrial subjects is a very small amount. Sir, we are getting 5½ crores from drink. Why should we not spend one crore from the profits made out of drink on technical education? It is hard-earned money that we are collecting from drink. If some of the people who are addicted to drink can be taught some kind of cottage industries, it will employ them in their idle hours when they have the temptation to drink and thereby their families will also be made happy. So I urge on the Minister for Development the need for augmenting this sum of Rs. 40,000 which is being awarded for industrial scholarships by at least three times the amount.

"Sir, it is now an accepted fact that cottage industries cannot thrive without Government assistance in some shape or another and appeals have been made by various conferences attended by men engaged in cottage industries. It is the duty of the State to teach the people improved methods of cottage industries. This is the duty of any Government with a desire for the welfare of the people entrusted to its care to encourage and improve

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cottage industries. It is the duty especially of this Government which occupies the position not only of a ruler but of a teacher to interest itself in the development of these cottage industries.

"I would appeal to the hon. Minister who has by now got a living knowledge of the various cottage industries to take advice from the people who are interested in the development of these industries and do something for their improvement and gain the eternal gratitude of the masses who are the real people to be counted upon."

* The hon. the PRESIDENT:—"Is the hon. Member Mr. A. B. Shetty whose motion comes next going to move it separately?"

* Mr. A. B. SHETTY:—"It is to be moved separately, Sir."

* Mr. G. HARISARVOTTAMA RAO:—"Mr. President, Sir, this question of cottage industries is really vital to our country. If we look at the funds provided for loans under the State Aid to Industries Act, we are staggered at the smallness of it. Only Rs. 4,00,000 has been provided. I am unable to discover what part of this sum is intended for cottage industries and what part for factory industries. As a matter of fact, I feel that India has the best chance of industrial development only through cottage industries. I was therefore surprised to find the hon. Minister getting up and saying that leather trades are not cottage industries. I am afraid he has yet to learn a great deal about industries. In countries like Japan, match, soap and other similar industries which require very great skill have been practised as cottage industries, as home industries. In this country the greatest of cottage industries is weaving and spinning. I am afraid, Sir, if we look at our industrial problems from the point of view of big organized factory industries we shall never be able to make headway. As long as the Government does not take an intermediate step of including under cottage industries as many industries as can be managed at home by a family of men, and help such industries, there is no possibility of industrial development in this direction. For one thing, capital is not available and for another the skill that can be acquired shall always be limited so long as it is not practised in a small measure to start with. I therefore feel that the Minister has not carefully thought out the question. Even taking the Government classification of cottage industries, there are a large number of them that stand in need of development. And, as long as the Government does not make a list of cottage industries which they are prepared to help and as long as they do not allocate specific funds for that purpose on a liberal scale, I do not believe that they would have done their duty."

"As a matter of fact in the weaving industry itself I know there are a large number of branches which are run as cottage industries and which deserve very liberal aid and sympathy of the Government if they are not to be killed. I know in Cuddapah as well as in Kurnool there is an industry called cotton carpet industry. There, the poorest of the masses are at it and if there is sufficient aid from the Government, I am sure a great many of the poor Muslims, men and women, can earn a sustenance even in the face of foreign competition. I refer also to the woollen industry in my district. About that a great deal has been said in the report that was submitted by the special officer appointed to survey the cottage industries. I know that in one of the criminal settlements an attempt

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is being made to organize this industry. The gentlemen in charge, an Inspector of Police, has been taking very keen interest in the matter. What he has done stands fair comparison with foreign articles. He has produced the finest articles from the materials available. If proper encouragement could be given and if our Ministers are careful enough to think out and plan out a broad-based programme for developing these industries, this particular industry would not have escaped their attention and provision would have been made by the hon. Minister for that purpose. I do not find any provision of any sort for any cottage industry in this budget. I have yet to direct the attention of the hon. Minister to other cottage industries noted in the report submitted by the Special officer. I refer to glass bangles. This industry is practically dead to-day. Our women are asked to wear in the name of Japanese imports mere trash. If, Sir, proper encouragement could be given to this industry, I am sure we can successfully compete even with foreign imports, and there would be more demand for indigenous materials manufactured in this country, because even women have come to recognize that foreign imports are mere trash. I again refer the Minister to other industries. There are huge forests in the country from which bamboo industry could be developed as a home industry. I pressed this on the attention of the Treasury benches long ago and yet they have not raised their little finger to enquire into the matter and to lay out a programme to find out how best cottage industries could be developed. I think the hon. Minister would spend his time well if he enquires into this very question which he said he was ignorant of, viz., whether leather goods could not be manufactured at home by people. It is true that a great deal has been done in the direction of improving leather goods. But until the Government follows up its own policy of demonstrating these industries by organizing them on a large scale and helping such industries even at the homes of industrialists, it is no good wasting the money upon mere experiments. Therefore I was surprised when the hon. Minister was standing up and saying that the leather goods industry was not a cottage industry. I would go further and say that even the match and soap industries could be given a trial as home industries. I know that soap industry is very easy of taking up at home. I have myself made soaps in my own house and I hope that it will not be difficult to encourage such industries. There are other industries which have been noted by the special officer. For instance, there is the paper industry. Paper was also manufactured in this country as cottage industry. There are almost a number of industries which will not survive the shock of competition. I shall not be sorry if the hon. Minister does not render help to those industries. So the question has to be very carefully examined as to how many industries and what industries can be helped materially in the direction of giving them help to survive and if he devotes his attention to this matter I am sure he will find that a large number of cottage industries in this land survive. In the spinning and weaving industry itself he will find there is such a thing called dyeing. The Madura dyers were once famous and I suppose they are famous even to-day. I suppose there are other places where dyeing is carried on very beautifully. Sir P. C. Ray's method of dyeing is taken to be one of the finest methods of dyeing and our dyers do not fight shy of imitating those methods. That is developed even in Madras to-day. If the hon. Minister has taken steps to study the dyeing of khaddar which is being achieved in Madras to day he will find that there is great scope to encourage dyeing as a home industry.

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"In all these directions there is scope. The hon. Minister has only to think of them. The provision that has been made is a pittance. Four lakhs of rupees is nothing. For weaving industry alone we would require some ten lakhs, if it is to stand as a cottage industry. I know that a large body of weavers in Jammalamadugu and other places in Cuddapah district are struggling and they are not able to make a headway because of want of funds. They have learnt dyeing, they have learnt the sort of weaving that has been shown in exhibitions. But the difficulty is that Government take no real interest in the matter and do not help them. It is not in the factory that this country is going to achieve its success. To a large extent it is on the development of cottage industries that the industrial prosperity of this country depends. If the hon. Minister takes care to study the conditions and adopt a progressive policy by laying down a definite programme and spend enough money to encourage these industries, I am sure he will leave an indelible impression upon the administration of this province. Knowing as I do that there is not much use in appealing to the Ministers who are working in a diarchic form of Government and knowing as I do that the hon. Ministers may be absolutely incompetent to carry on what I am suggesting, I still believe there could be a brisker policy even under the limitations under which he is working and such a brisker policy has not been thought of. Not only it has not been thought of, but money has been wasted in directing the special officer to go round and find out certain things. To very ordinary things no attention has been paid, even to a matter like spinning as a supplemental avocation in rural areas. For ordinary cultivators it would be a very good industry to take up. I am sure that the argument from the other side would be that it is not economical. I may, however, say that the last word on the science of economics has not been said. If a supplementary avocation goes to meet the needs of people and if articles of a similar type are not imported into this country, I say it is real industrial development. If the hon. Minister has really thought over this question and worked at it assiduously, he would have asked the Assistant Director of Industries to evolve a better spinning wheel, and seen how far the experiment he was carrying on had progressed, what he has done, whether he has examined the spinning wheel now in existence and whether he has cared to get information regarding the several types of spinning wheels which are being shown in the exhibitions all over the country. Whether all this has been done is not known to us on this side of the House.

"I therefore think that the policy of the Government with regard to cottage industries has been a policy of inaction and inanition. Not a bit has been achieved and it is up to the Minister who occupies his position in defiance of the popular will of the country and who sits on the Treasury benches co-operating with friends who are birds of passage, who are merest bureaucrats, to devise ways and means by which he can make the industrial policy of this Government not a mere farce as it is at present, but a real, potent and living force for the betterment of the masses of this country."

MR. C. GOPALA MENON :—"Mr. Chairman, hon. Members who have spoken on this motion so far have spoken with the least amount of confidence in the pioneering of cottage industries of this Presidency. I do not blame them because they go on the figures exhibited in the Commercial Accounts submitted by the auditors. Take for instance the Leather

[Mr. C. Gopala Menon]

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Trade Institute to which reference has been made in the course of the discussion. The point for consideration is whether the Trade School is serving the people for whom it was started, I mean for the hides and leather industry of this Province. Hon. Members are aware that this Presidency exports on an average eight crores of tanned skins and hides out of the eleven crores of tanned skins and hides exported from the whole of India. The question is whether the Trades School does or does not render help to the commercial community in any way. When it was first started it had students admitted as apprentices to carry on research work in dyeing, etc., research work of a character to help the merchants who wanted dyeing materials. You all know that the dyeing material that is used in this Presidency is the avaram bark and that dyeing material is of a wide growth and it is very difficult to collect this bark. Apart from this I understand that the Leather Trade Institute carries on research with regard to several other herbs to help the industries of this Presidency. From the information I have from that part of the constituency which I represent I find that they have been getting good help from the institute as a research institute."

At this stage the Council adjourned to meet again at 11 a.m. on Monday the 25th March

IV

PAPER LAID ON THE TABLE OF THE HOUSE.

G.O. No 100,^a Judicial, dated 23rd February 1929, authorizing expenditure for police arrangements during the visit of the Indian Statutory Commission to the Madras Presidency.

R. V. KRISHNA AYYAR,
Secretary to the Legislative Council.

வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS